

**BYLAWS**

**of**

**LOVING HEARTS ANIMAL SOCIETY**

## TABLE OF CONTENTS

<b>PREAMBLE</b>	<b>3</b>
<b>ARTICLE I – NAME</b>	<b>3</b>
<b>ARTICLE II – PURPOSES AND LEGAL POWERS</b>	<b>3</b>
<b>ARTICLE III – OFFICES</b>	<b>5</b>
<b>ARTICLE IV – MEMBERSHIP</b>	<b>5</b>
<b>ARTICLE V – BOARD OF DIRECTORS</b>	<b>6</b>
<b>ARTICLE VI – BOARD OFFICERS</b>	<b>9</b>
<b>ARTICLE VII – BOARD ADVISORY COUNCIL</b>	<b>11</b>
<b>ARTICLE VIII – COMMITTEES</b>	<b>12</b>
<b>ARTICLE IX – CONTRACTS, CHECKS, LOANS, INDEMNIFICATION</b>	<b>15</b>
<b>ARTICLE X – MISCELLANEOUS</b>	<b>16</b>
<b>ARTICLE XI – COUNTER-TERRORISM AND DUE DILIGENCE POLICY</b>	<b>17</b>
<b>ARTICLE XII – DOCUMENT RETENTION POLICY</b>	<b>17</b>
<b>ARTICLE XIII – TRANSPARENCY AND ACCOUNTABILITY</b>	<b>19</b>
<b>ARTICLE XIV – CODE OF ETHICS AND WHISTLE-BLOWER POLICY</b>	<b>21</b>
<b>ARTICLE XV – AMENDMENTS OF BYLAWS AND ARTICLES OF INCORPORATION</b>	<b>22</b>
<b>CERTIFICATE OF ADOPTION</b>	<b>23</b>

## **PREAMBLE**

These Bylaws are subject to, and governed by, Texas Nonprofit Corporation Law and the Articles of Incorporation of Loving Hearts Animal Society. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of Texas Nonprofit Corporation Law, the Texas Nonprofit Corporation Law will be controlling. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Loving Hearts Animal Society, these Bylaws will be controlling.

## **ARTICLE I – NAME**

1.1 Name. The name of this corporation shall be Loving Hearts Animal Society. The business of the corporation may be conducted as Loving Hearts Animal Society.

## **ARTICLE II – PURPOSES AND LEGAL POWERS**

2.1 Purpose. The purposes for which Loving Hearts Animal Society is organized are:

2.1.1 The Loving Hearts Animal Society is a nonprofit corporation and shall be operated exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.

2.1.2 Specifically, Loving Hearts Animal Society shall work to:

- (a) Shelter abused, neglected, abandoned, or otherwise homeless animals;
- (b) Endeavor to return lost animals in our care to their rightful owners;
- (c) Provide adoption services to place animals in our care into suitable homes;
- (d) Provide long term sanctuary for animals in our care that remain unadopted or are otherwise deemed unadoptable;
- (e) Provide animal enrichment, rehabilitation and reasonable veterinary services for animals in our care;
- (f) Organize and facilitate local animal foster care programs; and
- (g) Promote and facilitate low cost spay/neuter initiatives.

2.1.3 To engage in any and all lawful activities incidental to the foregoing purposes, except as otherwise restricted herein.

2.2 Powers.

2.2.1 Loving Hearts Animal Society is a non-profit corporation and shall have all of the powers, duties, authorizations, and responsibilities as provided in Texas Nonprofit Corporation Law; provided, however, Loving Hearts Animal Society shall neither have nor exercise directly or indirectly in any activity, that would invalidate its status as a

corporation that is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code.

- 2.2.2 Loving Hearts Animal Society shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes.
- 2.2.3 The legal powers of Loving Hearts Animal Society may include, but are not limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

### 2.3 Nonprofit Status and Exempt Activities Limitation.

2.3.1 Nonprofit Legal Status. Loving Hearts Animal Society is a Texas nonprofit corporation, recognized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

#### 2.3.2 Exempt Activities Limitation.

- (a) Notwithstanding any other provision of these Bylaws, no director, officer, employee, member, or representative of Loving Hearts Animal Society shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended.
- (b) No part of the net earnings of Loving Hearts Animal Society shall inure to the benefit or be distributable to any director, officer, member, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

#### 2.3.3 Distribution Upon Dissolution.

- (a) Upon termination or dissolution of the Loving Hearts Animal Society, any assets and resources lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations has a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation

- (b) The organization to receive the assets of the Loving Hearts Animal Society hereunder shall be selected at the discretion of a majority of the managing body of Loving Hearts Animal Society, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the Loving Hearts Animal Society, by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets and resources to be distributed, any preference if practicable to organizations located within the State of Texas.
- (c) In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to the Loving Hearts Animal Society, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Texas to be added to the general fund.

### **ARTICLE III – OFFICES**

- 3.1 **Principal Office.** The principal office of Loving Hearts Animal Society shall be located in the County of Jasper, in the State of Texas.
- 3.2 **Other Offices.** Loving Hearts Animal Society may have such other offices as the Board of Directors may determine or as the affairs of Loving Hearts Animal Society may require, from time to time, in the State of Texas.

### **ARTICLE IV – MEMBERSHIP**

- 4.1 **No Membership Classes.** Loving Hearts Animal Society shall have no membership class and no members who have any right to vote or title or interest in or to the corporation, its properties and franchises.
- 4.2 **Non-Voting Affiliates.** The governing body may approve classes of non-voting affiliates with rights, privileges, and obligations established by the board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the corporation. The board, a designated committee, or any duly elected officer in accordance with board policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations.

At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the board, affiliates may be given endorsement, recognition and media coverage at fundraising activities, clinics, other events or at the corporation website. Affiliates have no voting rights, and are not members of the corporation.

- 4.3 Dues. Any dues for affiliates shall be determined by resolutions and these bylaws.

## **ARTICLE V – BOARD OF DIRECTORS**

- 5.1 General Powers and Responsibilities. Loving Hearts Animal Society shall be governed by a Board of Directors, which shall have all of the rights, powers, privileges and limitations of liability of directors of a nonprofit corporation organized under Texas Nonprofit Corporation Law. The Board of Directors shall establish policies and directives governing business and programs of Loving Hearts Animal Society and shall delegate to the Officers and Staff of Loving Hearts Animal Society, subject to the provisions of these bylaws, the authority and responsibility to see that these policies and directives are appropriately followed.
- 5.2 Number of Directors. The Board of Directors shall have up to seven (7), but no fewer than three (3) directors. The number of directors may be increased beyond seven (7) members, but may not be decreased to less than three (3) members, by the affirmative vote of a majority of the then-serving Board of Directors in which a quorum is present. At any time, the Chair and Chair Elect of the Board of Directors must be a resident of the State of Texas.
- 5.3 Term of Service. All directors shall be elected to serve a term of one (1) year; however, such term may be extended by the affirmative vote of the majority of remaining Board of Directors until a successor has been elected. Directors may be elected and serve multiple terms in succession.
- 5.4 Election of Directors. Directors may be elected at any board meeting in which a quorum is present by the affirmative vote of the majority of the then-serving Board of Directors, as follows:
- 5.4.1 Qualifications. In order to be eligible to serve as director, a candidate must be at least 18 years of age and possess the necessary qualifications to perform such duties and responsibilities as may be established by the then-serving Board of Directors.
- 5.4.2 Nominations. The Governance Committee, as provided in accordance with the provisions of Section 8.3.3 of these bylaws, shall recommend new or existing candidates to fill end of term vacancies on the Board of Directors by presenting a slate of such nominations in writing to the Board of Directors before the regular board meeting immediately preceding the beginning of each fiscal year or at such other times when such candidates may be sought.
- 5.4.3 Vacancies.
- (a) The Board of Directors may fill vacancies due to the expiration of a director's term of office, resignation, death, or removal, or may appoint new directors subject to the maximum number of directors permitted under these bylaws.
  - (b) Vacancies on the Board of Directors that arise prior to the end of a term, due to resignation, death, or removal, may be filled by an existing director. The director

elected to fill such a vacancy shall be elected for the unexpired term of his or her predecessor in office.

5.5 Director Resignation. Directors shall have the right to resign at any time upon written notice thereof to the Chair, Chair Elect, or the Secretary of the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

5.6 Removal of Directors. A Director may be removed by a two-thirds vote of directors then in office at any duly constituted meeting at which a quorum is present, if:

5.6.1 The director is absent and unexcused from two or more board meetings in a twelve (12) month term of service. The president is empowered to excuse directors from attendance for any reason deemed adequate by the president. The president shall not have the power to excuse him or herself from a board meeting and in that case, the vice president shall excuse the president.

5.6.2 For cause or no cause, if before any meeting of the members at which a vote on removal will be made the director in question is given proper notice and opportunity to be heard at such meeting.

5.7 Board of Director Meetings.

5.7.1 Regular Meetings. The Board of Directors shall regularly meet quarterly, every three (3) months of the calendar year, at such time and place as shall be determined by the directors authorized to call such meetings. Regular meetings shall be held upon five (5) days notice by hand delivery, first-class mail, e-mail, fax, or telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of meetings shall specify the place, day, and hour of meeting. The purpose of the meeting need not be specified. All intended absences and notices of proxy must be reported to the Chair or Secretary of the Board of Directors no less than forty-eight (48) hours prior to the date and time of such meetings.

5.7.2 Special Meetings. The Chair, Chair Elect, or any four (4) directors may call a special meeting of the Board of Directors provided that the meeting is preceded by at least three (3) days' notice to each director and specifies the date, time and place of said meeting. The purpose of the meeting need not be specified. The director or directors authorized to call special meetings of the Board of Directors may fix any place and time, so long as it is reasonable, for holding said meeting. All intended absences and notices of proxy must be reported to the director or directors authorized to call special meetings no less than twenty-four (24) hours prior to the date and time of such meetings.

5.7.3 Waiver of Notice. Any director may waive notice of any meeting in accordance with Texas law.

5.8 Manner of Acting.

- 5.8.1 Quorum. At each meeting of the Board of Directors, the presence of the lesser of (a) 7 directors, or (b) one-half of the directors then serving on the board (but in no case less than 3) shall constitute a quorum for the transaction of business. No business shall be considered by the Board of Directors at a meeting at which a quorum is not present.
- 5.8.2 Majority. Except as otherwise required by law or the Articles of Incorporation, the act of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 5.8.3 Split Vote. If at any time the Board of Directors consists of an even number of directors and a vote results in a tie, the vote of the Chair or Chair Elect in the order of presence shall be the deciding vote.
- 5.8.4 Attendance. A director shall be considered present at any meeting of the board if during the meeting he or she is in telephone or video teleconferencing communication with all other participating directors of the board also in attendance at said meeting. Any director who is absent from two or more regular meetings of the board during a fiscal year is encouraged to re-evaluate with the Chair his/her commitment to serve on the Board of Directors. Any director who has missed two or more meetings without such re-evaluation with the Chair may be deemed by the remaining board members to have resigned from the Board of Directors.
- 5.8.5 Proxy. A director who is unable to attend a meeting of the board may vote by written proxy given to any other voting member of the Board of Directors who is in attendance at said meeting. However, a vote by proxy will not be counted toward the number of directors needed to be present to constitute a quorum for the transaction of business. In addition, no proxy shall be valid after three months from the date of execution and each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.
- 5.8.6 Action by Written Consent. Any action required by law to be taken at a meeting of the Board of Directors, or any action that may be taken at a meeting of the Board of Directors, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all members of the Board of Directors. Such consent shall be placed in the minute archives and shall have the same force and effect as a vote of the Board of Directors taken at an actual meeting. The Board of Directors' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.



- 5.9 Director Evaluations. Directors shall complete periodic self assessments and peer-to-peer assessments to verify members of the board are meeting expectations, progressing the goals and mission of the corporation, and acting in accordance with these bylaws. All evaluations shall be reviewed at a meeting of the board as determined by the Board of Directors.
- 5.9 Compensation of Board Services. Directors shall receive no compensation for the performance of their duties as a member of the Board of Directors. The Board of Directors may adopt policies to approve reimbursement of reasonable and necessary expenses incurred in conjunction with carrying out board responsibilities, such as travel expenses to attend meetings.
- 5.10 Compensation of Professional Services. Directors are not restricted from being remunerated for professional services provided to the corporation. Such remuneration shall be reasonable and fair to the corporation, and must be reviewed and approved in accordance with the Conflict of Interest policy and state law.
- 5.11 Board Minutes. All meetings of the Board of Directors shall be transacted in such order as the Chair may determine from time to time. The secretary, or in the absence of the secretary the board member appointed by the Chair to act as secretary, shall keep minutes of the proceedings of all meetings of the board and a record of all actions taken by the board without a meeting, which shall be copied and sent to all members of the board and placed in the minute archives.

## **ARTICLE VI – BOARD OFFICERS**

- 6.1 Officers and Duties.
- 6.1.1 Required Officers. The Board of Directors shall elect officers which shall include a President, Vice President, Secretary, and Treasurer. Officers shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the Board of Directors or by direction of an officer authorized by the board to prescribe the duties and authority of other officers.
- 6.1.2 Additional Officers. The Board of Directors may also appoint additional vice-presidents and such other officers as it deems expedient for the proper conduct of the business of the corporation, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine.
- 6.1.3 Dual Mandate. One person may hold two or more offices, with the exception of the president who may not also hold the office of secretary, but no officer may act in more than one capacity where actions of two or more officers are required.
- 6.2 President. The president shall be the chief officer of the corporation. The president shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of directors, and shall perform all other duties incident to the office or properly required by the Board of Directors.

- 6.3 Vice President. In the absence or disability of the president, the ranking vice-president or vice-president designated by the Board of Directors shall perform the duties of the president. When so acting, the vice-president shall have all the legal powers of and be subject to all the restrictions upon the president. The vice-president shall have such other powers and perform such other duties prescribed by the Board of Directors or the president. The vice-president shall normally accede to the office of president upon the death, resignation or disqualification of the president.
- 6.4 Secretary. The secretary shall keep or cause to be kept a book of minutes of all meetings and actions of directors and committees of directors. The minutes of each meeting shall state the time and place that it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The secretary shall cause notice to be given of all meetings of directors and committees as required by the Bylaws. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the president. The secretary may appoint, with the approval of the Board of Directors, a director to assist in the performance of all or part of the duties of secretary.
- 6.5 Treasurer. The treasurer shall be the lead director for oversight of the financial condition and affairs of the corporation. The treasurer shall oversee and keep the governing body informed of the financial condition of the corporation and of audit or financial review results. In conjunction with other directors or officers, the treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the corporation, are made available to the board on a timely basis or as may be required by the Board of Directors. The treasurer shall perform all duties properly required by the Board of Directors or the president. The treasurer may appoint, with approval of the Board of Directors, a qualified fiscal agent or member of staff to assist in performance of all or part of the duties of the treasurer.
- 6.6 Election and Term of Office. Officers shall serve a one (1) year term of office and may not serve more than three (3) consecutive terms of office unless unanimously elected by the remaining Board of Directors to serve additional terms. Unless unanimously elected by the Board of Directors at the end of his or her three (3) year terms or to fill a vacancy in another officer position, each officer's term of office shall begin upon the adjournment of the board meeting at which elected and shall end upon the adjournment of the meeting during which a successor is elected.
- 6.7 Removal and Resignation. The Board of Directors may remove an officer at any time, with or without cause. Any officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

- 6.8 Officer Compensation. Officers shall receive no compensation for the performance of their duties as an officer of the board.
- 6.9 Compensation of Professional Services. Officers are not restricted from being remunerated for professional services provided to the corporation. Such remuneration shall be reasonable and fair to the corporation, and must be reviewed and approved in accordance with the Conflict of Interest policy and state law.

## **ARTICLE VII – BOARD ADVISORY COUNCIL**

- 7.1 Council Formation. The Board of Directors may, by resolution adopted by a majority of the Board, maintain a Board Advisory Council whose purpose shall be to supplement the board's skills and abilities, and make recommendations to assist and guide the corporation toward its stated mission. The president shall be empowered to recruit members to the Board Advisory Council, and any council member may be removed by the president whenever the interests of the corporation shall best be served by such removal. Members of the board advisory council may, at the discretion of the president, be appointed to serve as a non-board member of a Board Committee.
- 7.2 Council Powers. The members of the board advisory council shall not have nor exercise the authority, responsibility, or duties of the Board of Directors or Officers, nor shall such advisory council consist of members who concurrently serve as directors or officers of the board.
- 7.3 Term of Office. Each member of the board advisory council shall serve a term of one (1) year, unless such council is terminated or a member is removed or resigns before the end of such term. Members of the board advisory council may be appointed to serve multiple terms in succession at the discretion of the Board of Directors.
- 7.4 Council Vacancies. Vacancies on the board advisory council shall be filled by appointments made in the same manner as provided in the case of the original appointments in accordance with the provisions of Section 7.1 of these bylaws.
- 7.5 Council Meetings. The Board of Directors shall regularly meet with the Board Advisory Council every three (3) months within the calendar year, at such time and place as shall be determined. The president, or in his or her absence the vice president, of the Board of Directors shall act as the Council Chairman during council meetings. Council meetings shall be held upon five (5) days notice by hand delivery, first-class mail, e-mail, fax, or telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of council meetings shall specify the place, day, and hour of said meeting. All intended absences must be reported to the Council Chairman no less than forty-eight (48) hours prior to the date and time of such meetings.
- 7.6 Attendance. A member shall be considered present at any council meeting if during the meeting he or she is in telephone or video teleconferencing communication with all other participating members also in attendance at said meeting. Any council member who is absent from two or

more meetings during their term of service is encouraged to re-evaluate with the Council Chairman his or her commitment to serve on the Board Advisory Council. The Board of Directors may deem a council member who has missed two or more meetings without such re-evaluation to have resigned from said council.

- 7.7 Council Compensation. Council members shall receive no compensation for the performance of their duties as a member of the Board Advisory Councils. The Board of Directors may adopt policies to approve reimbursement of reasonable and necessary expenses incurred in conjunction with carrying out council responsibilities, such as travel expenses to attend meetings.
- 7.8 Council Meeting Minutes. All council meetings shall be transacted in such order as the Council Chairman may determine from time to time. The secretary, or in the absence of the secretary the board member appointed by the Council Chairman to act as secretary, shall keep minutes of the proceedings of all council meetings, which shall be copied and sent to all members of the board and council, and placed in the minute archives.

#### **ARTICLE VIII – COMMITTEES**

- 8.1 Committee Formation. The Board of Directors may, by resolution adopted by a majority of the board, designate and appoint committees as deemed necessary. Board committees shall each be chaired or co-chaired by an officer of the board as appointed by the Board of Directors or, at the board's discretion, elected by the committee's members subject to the approval of the Board of Directors. Non-board members may be appointed to any board committee at the discretion of the Board of Directors.
- 8.2 Committee Powers. Any committee, to the extent provided in the resolution, shall have all the authority of the board, except regardless of resolution as follows:
- 8.2.1 Committees may not take any final action on matters which require the approval of the board or a majority vote of the Board of Directors.
- 8.2.2 Committees may not fill vacancies on the Board of Directors.
- 8.2.3 Committees may not amend or repeal bylaws or adopt new bylaws.
- 8.2.4 Committees may not amend or repeal any resolution which by its express terms is not so amendable or repealable.
- 8.2.5 Committees may not appoint any other committees or members of these committees.
- 8.2.6 Committees may not expend corporate funds to support a nominee for director.
- 8.2.7 Committees may not approve any transaction to which the corporation is a party and one or more directors have a material financial interest.

- 8.2.8 Committees may not approve any transaction between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.
- 8.3 Standing Committees. The Board shall maintain the following standing committees: Finance Committee, Marketing and Development Committee, and Governance Committee.
- 8.3.1 Finance Committee. The Finance Committee shall be composed of three or more members, one of whom shall be the Treasurer or Director of Finance. The Finance Committee shall be responsible for developing long-range fiscal plans, procuring and reviewing any and all external audits, and preparing a recommended annual operating budget for the board's review.
- 8.3.2 Marketing and Development Committee. The Marketing and Development Committee shall be composed of three or more members, one of whom shall be the President or Vice President. The Marketing and Development Committee shall be responsible for developing media and community outreach strategies to raise overall awareness of services and mission objectives, developing new and existing fundraising strategies, and shall prepare a recommended annual marketing and development plan for the board's review.
- 8.3.3 Governance Committee. The Governance Committee shall be composed of three or more members, one of whom shall be the Secretary or Director of Governance. The Governance Committee shall be responsible for overseeing the orientation of new board members; devising board development tactics and programs; devising and conducting quarterly board evaluations; submitting recommendations for new or existing candidates to fill end of term board vacancies; and, proposing any necessary updates of these bylaws to the board.
- 8.4 Term of Office. Each member of a board committee shall serve a term of one (1) year, unless such committee is terminated or a member is removed or resigns before the end of such term. Committee members may be appointed to serve multiple terms in succession at the discretion of the Board of Directors.
- 8.5 Vacancies. Vacancies on any board committee shall be filled by appointments made in the same manner as provided in the case of the original appointments in accordance with the provisions of Section 8.1 of these Bylaws.
- 8.6 Committee Meetings. Board Committees shall regularly meet, prior to each quarterly meeting of the Board of Directors, at such time and place as shall be determined. Committee meetings shall be held upon five (5) days notice by hand delivery, first-class mail, e-mail, fax, or telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of committee meetings shall specify the place, day, and hour of said meeting. All intended absences and notices of proxy must be

reported to the Committee Chairman no less than forty-eight (48) hours prior to the date and time of such meetings.

## 8.7 Manner of Acting.

8.7.1 Quorum. At each meeting of a Board Committee, the presence of the lesser of (a) total appointed committee members, or (b) one-half of the committee members then serving on the committee (but in no case less than 3) shall constitute a quorum for the transaction of business. No business shall be considered by the board committee at a meeting at which a quorum is not present.

8.7.2 Majority. Except as otherwise required by law or the resolution of the Board of Directors, the act of the majority of committee members present at a meeting at which a quorum is present shall be the act of the Board Committee.

8.7.3 Split Vote. If at any time the board committee consists of an even number of members and a vote results in a tie, the vote of the Committee Chair or Chair Elect in the order of presence shall be the deciding vote.

8.7.4 Attendance. A member shall be considered present at any meeting of a Board Committee if during the meeting he or she is in telephone or video teleconferencing communication with all other participating members of the committee also in attendance at said meeting. Any committee member who is absent from two meetings during their term of service is encouraged to re-evaluate with the Chair of the Board of Directors his/her commitment to serve on the committee. The Board of Directors may deem a committee member who has missed two or more meetings without such re-evaluation to have resigned from said committee.

8.7.5 Proxy. A member who is unable to attend a committee meeting may vote by written proxy given to any other voting committee member who is in attendance at such meeting. However, a vote by proxy will not be counted toward the number of committee members needed to be present to constitute a quorum for the transaction of business. In addition, no proxy shall be valid after three months from the date of execution and each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.

8.7.6 Action by Written Consent. Any action required by law to be taken at a committee meeting, or any action that may be taken at a committee meeting, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all committee members. Such consent shall be placed in the minute archives and shall have the same force and effect as a vote of the Board Committee taken at an actual meeting. The committee members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

- 8.8 Committee Compensation. Committee members shall receive no compensation for the performance of their duties as a member of the Board Committees. The Board of Directors may adopt policies to approve reimbursement of reasonable and necessary expenses incurred in conjunction with carrying out committee responsibilities, such as travel expenses to attend meetings.
- 8.9 Board Committee Minutes. All meetings of the Board Committee shall be transacted in such order as the Committee Chair may determine from time to time. The committee secretary, or in the absence of the secretary the committee member appointed by the Committee Chair to act as secretary, shall keep minutes of the proceedings of all committee meetings and a record of all actions taken by the committee without a meeting, which shall be copied and sent to all members of the board and committee, and placed in the minute archives.

## **ARTICLE IX – CONTRACTS, CHECKS, LOANS, INDEMNIFICATION**

- 9.1 Contracts and Other Writings. Except as otherwise provided by resolution or policy of the board, all contracts, deeds, leases, mortgages, grants, and other agreements of the corporation shall be executed on its behalf by the treasurer, or other persons to whom the corporation has delegated authority to execute such documents in accordance with policies approved by the board.
- 9.2 Checks, Drafts. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by a resolution.
- 9.3 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depository as the governing body or a designated committee may select.
- 9.4 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 resolution of the board. Such authority may be general or confined to specific instances.
- 9.5 Indemnification.
- 9.5.1 Mandatory Indemnification. The corporation shall indemnify a director or former director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceedings.
- 9.5.2 Permissible Indemnification. The corporation shall indemnify a director or former director made a party to a proceeding because he or she is or was a director of the corporation, against liability incurred in the proceeding, if the determination to indemnify

him or her has been made in the manner prescribed by law and payment has been authorized in the manner prescribed by law.

9.5.3 Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board in the specific case, upon receipt of (I) a written affirmation from the director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.

9.5.4 Indemnification of Officers, Agents and Employees. An officer of the corporation who is not a director is entitled to mandatory indemnification under this article to the same extent as a director. The corporation may also indemnify and advance expenses to an employee or agent of the corporation who is not a director, consistent with Texas Law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

## **ARTICLE X – MISCELLANEOUS**

10.1 Books and Records. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its board, a record of all actions taken by the board of directors without a meeting, and a record of all actions taken by committees of the organization. In addition, the corporation shall keep a copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

10.2 Fiscal Year. The fiscal year of the corporation shall be from January 1st to December 31st of each year.

10.3 Conflict of Interest. The board shall adopt and periodically review a conflict of interest policy to protect the corporation's interest when it is contemplating any transaction or arrangement which may benefit any director, officer, employee, affiliate, or member of a committee with board-delegated powers.

10.4 Non-Discrimination Policy.

10.4.1 The officers, committee members, employees, and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation.

10.4.2 It is the policy of Loving Hearts Animal Society not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran status, political service or affiliation, color, religion, or national origin.



- 10.5 Captions. Captions (i.e., article and section headings) are inserted in these Bylaws for convenience only and in no way define, limit, or describe the scope or intent of these Bylaws, or any provision hereof, nor in any way affect the interpretation of these Bylaws.

#### **ARTICLE XI – COUNTER-TERRORISM AND DUE DILIGENCE POLICY**

- 11.1 In furtherance of its tax exemption by contributions to other organizations, domestic or foreign, Loving Hearts Animal Society shall stipulate how the funds will be used and shall require the recipient to provide the corporation with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the U.S. Department of the Treasury's publication the "Voluntary Best Practice for U.S. Based Charities" is not mandatory, Loving Hearts Animal Society willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

Loving Hearts Animal Society shall also comply and put into practice the federal guidelines, suggestion, laws and limitation set forth by pre-exisitng U.S. legal requirements related to combating terrorist financing, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its foreign activities.

#### **ARTICLE XII – DOCUMENT RETENTION POLICY**

- 12.1 Purpose. The purpose of this document retention policy is establishing standards for document integrity, retention and destruction and to promote the proper treatment of Loving Hearts Animal Society records.

- 12.2 General Guidelines.

Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed.

A mass of records also makes it more difficult to find pertinent records. From time to time, Loving Hearts Animal Society may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of document that warrant special consideration are identified below.

While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the

application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

### 12.3 Exception for Litigation Relevant Documents.

Loving Hearts Animal Society expects all directors, officers, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all directors, officers, and employees should note the following general exception to any stated destruction schedule. If you believe, or the Loving Hearts Animal Society informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

### 12.4 Minimum Retention Periods for Specific Categories.

12.4.1 Corporate Documents. Corporate records include the corporation's Articles of Incorporation, Bylaws and IRS Form 1023 and Application for Tax Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request as set forth in these bylaws.

12.4.2 Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

12.4.3 Employment Records/Personnel Records. State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

12.4.4 Board and Committee Materials. Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Committee materials should be kept for no less than three years by the corporation.

12.4.5 Press Releases/Public Filings. The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

- 12.4.6 Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for ten years.
- 12.4.7 Marketing and Sales Documents. The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.
- 12.4.8 Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.e., patents and copyrights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation derives independent economic value from the secrecy of the information, and has taken affirmative steps to keep the information confidential. The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.
- 12.4.9 Contracts. Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- 12.4.10 Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.
- 12.4.11 Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.
- 12.4.12 Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.
- 12.4.13 Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.
- 12.5 Electronic Mail. E-mail that needs to be saved should be either printed in hard copy and kept in the appropriate file; or downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

## **ARTICLE XIII – TRANSPARENCY AND ACCOUNTABILITY**

### **DISCLOSURE OF FINANCIAL INFORMATION WITH THE GENERAL PUBLIC**

- 13.1 Purpose. By making full and accurate information about its mission, activities, finances, and governance publicly available, Loving Hearts Animal Society practices and encourages

transparency and accountability to the general public. This policy will indicate which documents and materials produced by the corporation are presumptively open to staff and/or the public; indicated which documents and materials produced by the corporation are presumptively closed to staff and/or the public; and specify the procedures whereby the open/closed status of documents and materials can be altered. The details of this policy are as follow:

- 13.2 Financial and IRS Documents (The form 1023 and form 990). Loving Hearts shall provide its Internal Revenue forms 990, 990-T, 1023 and 5227, bylaws, conflict of interest policy, and financial statements to the general public for inspection free of charge.
- 13.3 Means and Conditions of Disclosure. Loving Hearts Animal Society shall make "Widely Available" the aforementioned documents on its internet website, loving-hearts.net, to be viewed and inspected by the general public.
  - 13.3.1 The documents shall be posted in a format that allows an individual using the internet to access, download, view and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).
  - 13.3.2 The website shall clearly inform readers that the document is available and provide instructions for downloading it.
  - 13.3.3 Loving Hearts Animal Society shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).
  - 13.3.4 Loving Hearts Animal Society shall inform anyone requesting the information where this information can be found, including the web address. This information must be provided immediately for in-person requests and within 7 days for mailed requests.
- 13.4 IRS Annual Information Returns (Form 990). Loving Hearts Animal Society shall submit the Form 990 to its governing body prior to the filing off the Form 990. While neither the approval of the Form 990 nor a review of the Form 990 is required under federal law, the corporation's Form 990 shall be submitted to each member of the governing body via (hard copy or email) at least 10 days before the Form 990 is filed with the IRS.
- 13.5 Board.
  - 13.5.1 All deliberations shall be open to the public except where a motion is passed to make any specific portion confidential.
  - 13.5.2 All board minutes shall be open to the public once accepted by the board, except where a motion is passed to make any specific portion confidential.

13.5.3 All papers and materials considered by the governing body shall be open to the public following the meeting at which they are considered, except where a motion is passed to make any specific paper or material confidential.

13.6 Staff Records.

13.6.1 All staff records shall be available for consultation by the staff member or by their legal representatives.

13.6.2 No staff records shall be made available to any person outside the corporation except the authorized governmental agencies.

13.6.3 Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member except that staff records shall be made available to the board when requested.

13.7 Donor Records.

13.6.1 All donor records shall be made available for consultation by the members and donors concerned or by their legal representatives.

13.6.2 No donor records shall be made available to any other person outside the corporation except the authorized governmental agencies.

13.6.3 Within the corporation, donor records shall be made available to only those persons with managerial or personnel responsibilities for dealing with donors, except that donor records shall be made available to the board when requested.

**ARTICLE XIV – CODE OF ETHICS AND WHISTLE-BLOWER POLICY**

14.1 Purpose. Loving Hearts Animal Society requires and encourages members, officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the corporation must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

It is the intent of Loving Hearts Animal Society to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of corporate staff is necessary to achieving compliance with various laws and regulations.

14.2 Reporting Violations. If any officer, staff or employee reasonably believes that some policy, practice, or activity of Loving Hearts Animal Society is in violation of law, a written complaint must be filed by that person with the president or vice president.

- 14.3 Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be subject to civil and criminal review.
- 14.4 Retaliation. Said person is protected from retaliation only if she or he brings the alleged unlawful activity, policy, or practice to the attention of Loving Hearts Animal Society and provides the Loving Hearts Animal Society with a reasonable opportunity to investigate and correct the alleged unlawful activity.
- 14.5 Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
- 14.6 Handling of Reported Violations. The president or vice president shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports shall be promptly investigated by the board and its appointed committee and appropriate corrective action shall be taken if warranted by the investigation.
- 14.7 This policy shall be made available to all directors, officers, staff or employees through these bylaws and they shall have the opportunity to ask questions about the policy.

#### **ARTICLE XV – AMENDMENTS OF BYLAWS AND ARTICLES OF INCORPORATION**

- 15.1 Amendments to the Articles of Incorporation. Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the board.
- 15.2 Amendments to the Bylaws. These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of directors then in office at a meeting of the Board, provided that:
- 15.2.1 No amendment shall be made to these Bylaws which would cause the corporation to cease to qualify as a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.
- 15.2.2 An amendment does not affect the voting rights of directors. An amendment that does affect the voting rights of directors further requires ratification by a two-thirds vote of a quorum.
- 15.2.3 All amendments be consistent with the Articles of Incorporation.

**NONPROFIT BYLAWS**  
**CERTIFICATE OF ADOPTION**

I do hereby certify that the above stated Bylaws were approved by the Loving Hearts Animal Society Board of Directors on August 6, 2022 and constitute a complete copy of the Bylaws of the corporation

  
Julien Fernandes, Secretary

Date: August 6, 2022