

**1. General Information**

a. For the fiscal year beginning (mm/dd/yyyy) 01/01/2005 and ending (mm/dd/yyyy) 12/31/05

b. Check if applicable for NYS: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization <b>CAIRN RESCUE USA</b>		d. Fed. employer ID no. (EIN) (##-####-###) <b>06-1660788</b>
	Number and street (or P.O. box if mail not delivered to street address) Room/suite <b>FDR Station, PO Box 6798</b>		e. NY State registration no. (##-##-##) <b>20-30-51</b>
	City or town, state or country and zip + 4 <b>New York NY 10150-6798</b>		f. Telephone number <b>917-690-7985</b>
			g. Email <b>CairnRescueUSA@aol.com</b>

**2. Certification - Two Signatures Required**

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

a. President or Authorized Officer/Trustee	<i>[Signature]</i>	<b>Violetta Argueta</b>	<b>President + CFO</b>	<b>8/15/06</b>
b. Chief Financial Officer or Treasurer	<i>[Signature]</i>	<b>Liberty Argueta</b>	<b>Asst. Treasurer</b>	<b>8/15/06</b>

**3. Annual Report Exemption Information**

a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants)  
 Check  if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

**NOTE:** An organization may also check the box to claim this exemption if no PFR or FRC was used and either: 1) the organization received an allocation from a federated fund, United Way or incorporated community appeal and contributions from all other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A.

b. EPTL annual report exemption (EPTL registrants and dual registrants)  
 Check  if total gross receipts for this fiscal year did not exceed \$25,000 and the assets (market value) of the organization did not exceed \$25,000 at any time during this fiscal year.

For EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.  
*Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.*

**4. Article 7-A Schedules**

If you did not check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State?  Yes  No  
 \* If "Yes", complete Schedule 4a.

b. Did the organization receive government contributions (grants)?  Yes  No  
 \* If "Yes", complete Schedule 4b.

**5. Fee Submitted: See last page for summary of fee requirements.**

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee	\$ <u>10</u>	Submit only one check or money order for the total fee, payable to "NYS Department of Law"
b. EPTL filing fee	\$ <u>25</u>	
c. Total fee	\$ <u>35</u>	

**6. Attachments:** For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments.

## 5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

### Organization's Registration Type    Fee Instructions

- **Article 7-A**                      Calculate the Article 7-A filing fee using the table in **part a** below. The EPTL filing fee is \$0.
- **EPTL**                                Calculate the EPTL filing fee using the table in **part b** below. The Article 7-A filing fee is \$0.
- **Dual**                                Calculate both the Article 7-A and EPTL filing fees using the tables in **parts a and b** below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a **single** check or money order for the total fee.

#### a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than \$250,000	\$25
up to \$250,000 *	\$10

\* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

#### b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than \$50,000	\$25
\$50,000 or more, but less than \$250,000	\$50
\$250,000 or more, but less than \$1,000,000	\$100
\$1,000,000 or more, but less than \$10,000,000	\$250
\$10,000,000 or more, but less than \$50,000,000	\$750
\$50,000,000 or more	\$1500

## 6. Attachments – Document Attachment Check-List

Check the boxes for the documents you are attaching.

### For All Filers

#### Filing Fee

Single check or money order payable to "NYS Department of Law"

#### Copies of Internal Revenue Service Forms

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> IRS Form 990               | <input checked="" type="checkbox"/> IRS Form 990-EZ               | <input type="checkbox"/> IRS Form 990-PF               |
| <input type="checkbox"/> Schedule A to IRS Form 990 | <input checked="" type="checkbox"/> Schedule A to IRS Form 990-EZ | <input type="checkbox"/> Schedule B to IRS Form 990-PF |
| <input type="checkbox"/> Schedule B to IRS Form 990 | <input type="checkbox"/> Schedule B to IRS Form 990-EZ            | <input type="checkbox"/> IRS Form 990-T                |
| <input type="checkbox"/> IRS Form 990-T             | <input type="checkbox"/> IRS Form 990-T                           |  |

### Additional Article 7-A Document Attachment Requirement

#### Independent Accountant's Report

- Audit Report (total support & revenue more than \$250,000)
- Review Report (total support & revenue \$100,001 to \$250,000)
- No Accountant's Report Required (total support & revenue not more than \$100,000)

Form **990-EZ**

**Short Form**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2005**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year.  
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2005 calendar year, or tax year beginning** , 2005, and ending , 20

**B** Check if applicable:

- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

**C** Name of organization

**Cairn Rescue USA**

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite

**F.D.R. Station, P.O. Box 6798**

City or town, state or country, and ZIP + 4

**New York, NY 10150-6798**

**D** Employer identification number

**06 ; 1660788**

**E** Telephone number

( **917** ) **690-7985**

**F** Group Exemption Number . . . ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G** Accounting method:  Cash  Accrual  
Other (specify) ▶

**I** Website: ▶ <http://www.CairnRescueUSA.com>

**H** Check  if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

**J** Organization type (check only one)—  501(c) ( **3** ) ◀ (insert no.)  4947(a)(1) or  527

**K** Check  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ . . . ▶ \$ **45,906**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 38 of the instructions.)

		Revenue		Expenses		Net Assets	
	<b>1</b>	Contributions, gifts, grants, and similar amounts received . . . . .	<b>1</b>	<b>40,278</b>			
	<b>2</b>	Program service revenue including government fees and contracts . . . . .	<b>2</b>	<b>1,780</b>			
	<b>3</b>	Membership dues and assessments . . . . .	<b>3</b>	<b>0</b>			
	<b>4</b>	Investment income . . . . .	<b>4</b>	<b>0</b>			
	<b>5a</b>	Gross amount from sale of assets other than inventory . . . . .	<b>5a</b>	<b>0</b>			
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .	<b>5b</b>	<b>0</b>			
	<b>c</b>	Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule). . . . .	<b>5c</b>	<b>0</b>			
	<b>6</b>	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
	<b>a</b>	Gross revenue (not including \$ <b>976</b> of contributions reported on line 1) . . . . .	<b>6a</b>	<b>1,444</b>			
	<b>b</b>	Less: direct expenses other than fundraising expenses . . . . .	<b>6b</b>	<b>1,670</b>			
	<b>c</b>	Net income or (loss) from special events and activities (line 6a less line 6b) . . . . .	<b>6c</b>	<b>(226)</b>			
	<b>7a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>7a</b>	<b>2,231</b>			
	<b>b</b>	Less: cost of goods sold . . . . .	<b>7b</b>	<b>1,321</b>			
	<b>c</b>	Gross profit or (loss) from sales of inventory (line 7a less line 7b) . . . . .	<b>7c</b>	<b>910</b>			
	<b>8</b>	Other revenue (describe ▶ <b>affiliate program income</b> ) . . . . .	<b>8</b>	<b>173</b>			
	<b>9</b>	<b>Total revenue</b> (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8). . . . . ▶	<b>9</b>	<b>42,915</b>			
	<b>10</b>	Grants and similar amounts paid (attach schedule) . . . . .	<b>10</b>	<b>0</b>			
	<b>11</b>	Benefits paid to or for members . . . . .	<b>11</b>	<b>0</b>			
	<b>12</b>	Salaries, other compensation, and employee benefits . . . . .	<b>12</b>	<b>0</b>			
	<b>13</b>	Professional fees and other payments to independent contractors . . . . .	<b>13</b>	<b>0</b>			
	<b>14</b>	Occupancy, rent, utilities, and maintenance . . . . .	<b>14</b>	<b>50</b>			
	<b>15</b>	Printing, publications, postage, and shipping . . . . .	<b>15</b>	<b>606</b>			
	<b>16</b>	Other expenses (describe ▶ <b>See Schedule</b> ) . . . . .	<b>16</b>	<b>45,756</b>			
	<b>17</b>	<b>Total expenses</b> (add lines 10 through 16) . . . . . ▶	<b>17</b>	<b>46,412</b>			
	<b>18</b>	Excess or (deficit) for the year (line 9 less line 17) . . . . .	<b>18</b>	<b>(3,497)</b>			
	<b>19</b>	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) . . . . .	<b>19</b>	<b>8,823</b>			
	<b>20</b>	Other changes in net assets or fund balances (attach explanation) . . . . .	<b>20</b>	<b>0</b>			
	<b>21</b>	Net assets or fund balances at end of year (combine lines 18 through 20) . . . . . ▶	<b>21</b>	<b>5,326</b>			

**Part II Balance Sheets**—If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

(See page 41 of the instructions.)

		(A) Beginning of year	(B) End of year
<b>22</b>	Cash, savings, and investments . . . . .	<b>10,409</b>	<b>7,287</b>
<b>23</b>	Land and buildings . . . . .	<b>0</b>	<b>0</b>
<b>24</b>	Other assets (describe ▶ <b>dog supplies and inventories for fundraisers</b> ) . . . . .	<b>165</b>	<b>86</b>
<b>25</b>	<b>Total assets</b> . . . . .	<b>10,087</b>	<b>7,373</b>
<b>26</b>	<b>Total liabilities</b> (describe ▶ <b>credit card charges &amp; accounts payable</b> ) . . . . .	<b>(1,751)</b>	<b>(2,047)</b>
<b>27</b>	<b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21) . . . . .	<b>8,823</b>	<b>5,326</b>

<b>Part III Statement of Program Service Accomplishments</b> (See page 42 of the instructions.)		<b>Expenses</b>	
What is the organization's primary exempt purpose? <b>To rescue, rehabilitate &amp; rehome Cairn Terrier dogs</b>		(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)	
Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.			
<b>28</b>	<b>In 2005 Cairn Rescue USA took in 130 purebred and mixed Cairn Terrier dogs into its rescue program and transported them to foster homes to be rehabilitated and retrained them so they could be adopted into loving and pre-screened forever homes</b> (Grants \$ <b>0</b> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>28a</b>	<b>10,414</b>
<b>29</b>	<b>In 2005 Cairn Rescue USA procured veterinary care for over 150 dogs in its rescue program, including dogs taken in prior years which had not been adopted yet, including spay/neuters, inoculations, testing and if necessary treatment for heartworm and parasites and surgery</b> (Grants \$ <b>0</b> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>29a</b>	<b>33,727</b>
<b>30</b>	<b>In 2005, Cairn Rescue USA continued educating the public about responsible cairn terrier ownership and care through its website and via its outreach efforts at petfairs and similar events</b> (Grants \$ <b>0</b> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>30a</b>	<b>445</b>
<b>31</b>	Other program services (attach schedule) (Grants \$ <b>0</b> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>31a</b>	<b>0</b>
<b>32 Total program service expenses</b> (add lines 28a through 31a)		<b>32</b>	<b>44,585</b>

<b>Part IV List of Officers, Directors, Trustees, and Key Employees</b> (List each one even if not compensated. See page 42 of the instructions.)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
<b>See Attached Schedule</b>				

<b>Part V Other Information</b> (Note the attachment requirement in General Instruction V, page 14.)		Yes	No
<b>33</b>	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		<input checked="" type="checkbox"/>
<b>34</b>	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	<input checked="" type="checkbox"/>	
<b>35</b>	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
<b>a</b>	Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>36</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If "Yes," attach a statement.)		<input checked="" type="checkbox"/>
<b>37a</b>	Enter amount of political expenditures, direct or indirect, as described in the instructions. <b>37a</b> <b>0</b>		
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year?		<input checked="" type="checkbox"/>
<b>38a</b>	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved	<b>38b</b>	
<b>39</b>	<b>501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on line 9	<b>39a</b>	
<b>b</b>	Gross receipts, included on line 9, for public use of club facilities	<b>39b</b>	
<b>40a</b>	<b>501(c)(3) organizations.</b> Enter amount of tax imposed on the organization during the year under: section 4911 <b>0</b> ; section 4912 <b>0</b> ; section 4955 <b>0</b>		
<b>b</b>	<b>501(c)(3) and (4) organizations.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach an explanation.	<b>40b</b>	<input checked="" type="checkbox"/>
<b>c</b>	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		<b>0</b>
<b>d</b>	Enter amount of tax on line 40c reimbursed by the organization		<b>0</b>

**Part V Other Information** (Note the attachment requirement in General Instruction V, page 14.) (Continued)

41 List the states with which a copy of this return is filed. ▶ New York  
 42a The books are in care of ▶ Violetta Argueta, CFO Telephone no. ▶ ( 917 ) 690-7985  
 Located at ▶ Princeton Junction, New Jersey ZIP + 4 ▶ 08550

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

	Yes	No
42b		✓
42c		✓

If "Yes," enter the name of the foreign country: ▶ \_\_\_\_\_  
 See the instructions for exceptions and filing requirements for Form TD F 90-22.1.

c At any time during the calendar year, did the organization maintain an office outside of the U.S.? . . . . .  
 If "Yes," enter the name of the foreign country: ▶ \_\_\_\_\_  
 43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here. . . . .   
 and enter the amount of tax-exempt interest received or accrued during the tax year . . . . . ▶ 43

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

*Violetta Argueta* Date 8/15/06  
 Signature of officer  
Violetta V. Argueta, President & CFO  
 Type or print name and title.

Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed ▶ <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	EIN ▶	Phone no. ▶ ( )	

<b>Schedule for Part I, Line 6</b>					
<b>Net Income (Loss) from Special Events</b>					
<b>Special Event</b>	<b>Gross Receipts</b>	<b>Less Contributions Reported on Line 1</b>	<b>Gross Revenue</b>	<b>Less Direct Expenses</b>	<b>Net Income (Loss)</b>
Cairnfest	\$ 618	\$ 153	\$ 465	\$ 496	\$ (31)
Ebay Auctions	\$ 1,802	\$ 823	\$ 979	\$ 1,174	\$ (195)
<b>Total</b>	<b>\$ 2,420</b>	<b>\$ 976</b>	<b>\$ 1,444</b>	<b>\$ 1,670</b>	<b>\$ (226)</b>
<b>Schedule for Part I, Line 16</b>					
<b>Other Expenses</b>					
<b>Other (Program) Expenses:</b>					
Veterinary Expenses	\$ 33,727				
Dog Transport	\$ 1,756				
Shelter Fees	\$ 882				
Pupymill Acquisition Fees	\$ 5,225				
Dog Boarding	\$ 359				
Dog Food & Supplies	\$ 1,760				
Dog Grooming	\$ 303				
Dog Training	\$ 79				
Website Hosting	\$ 179				
Community Outreach	\$ 265				
<b>Total Other (Program) Expenses:</b>	<b>\$ 44,535</b>				
<b>Other (Admin) Expenses:</b>					
Bank Fees	\$ 116				
Corporate Fees	\$ 90				
Hardware	\$ 470				
Software	\$ 112				
Depreciation	\$ 50				
Misc.	\$ 237				
<b>Total Other (Admin) Expenses:</b>	<b>\$ 1,075</b>				
<b>Other (Fundraising) Expenses:</b>					
Paypal Fees	\$ 146				
<b>Total Other (Fundraising) Exp.:</b>	<b>\$ 146</b>				
<b>Total Other Expenses</b>	<b>\$ 45,756</b>				

<b>Schedule for Part IV</b>					
<b>List of Officers and Directors for Calendar 2005:</b>					
<b>(A) Name &amp; Address*</b>	<b>(B) Title</b>	<b>(B) Average Hours Develoted to Position</b>	<b>(C) Compensation Paid**</b>	<b>(D) Cotnributions to Employee Benefit Plans &amp; Deferred Compensation</b>	<b>(E) Expense Account &amp; Other Allowances</b>
Violetta V. Argueta	Director, President & CFO	30	0	0	0
Eileen Czablewski	Director	30	0	0	0
Diane Gaul	Vice President	10	0	0	0
Veronica Hudak-Moe	Vice President	10	0	0	0
Christy Innis	Corporate Secretary & Vice President	20	0	0	0
Brenda Jo Kelley	Director	30	0	0	0
Shell Lewis	Vice President	30	0	0	0
Marybeth Rickel	Vice	30	0	0	0
Linda Savage	Director	30	0	0	0
Lisa Stine	Director & Vice President	30	0	0	0
Footnotes:					
* The address for all directors and officers is					
Cairn Rescue USA					
F.D.R. Station, PO Box 6798					
New York, NY 10150-6798					
** None of the officers or directors of Cairn Rescue USA receive any compensation for their services					
<b>Part IV, Line 35 Statement</b>					
Cairn Rescue USA's sales of items on Ebay, at Cairnfest and on its website's Shopping Mall are specifically excluded from the definition of unrelated trade or business because all of the work involved is performed by a volunteer workforce without compensation.					





**Part III** **Statements About Activities** (See page 2 of the instructions.)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) . . . . .		✓
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property? . . . . .	<b>2a</b>	✓
<b>b</b> Lending of money or other extension of credit? . . . . .	<b>2b</b>	✓
<b>c</b> Furnishing of goods, services, or facilities? . . . . .	<b>2c</b>	✓
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	<b>2d</b>	✓
<b>e</b> Transfer of any part of its income or assets? . . . . .	<b>2e</b>	✓
<b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) . . . . .	<b>3a</b>	✓
<b>b</b> Do you have a section 403(b) annuity plan for your employees? . . . . .	<b>3b</b>	✓
<b>c</b> During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	<b>3c</b>	✓
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .	<b>4a</b>	✓
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .	<b>4b</b>	✓

**Part IV** **Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5**  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6**  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7**  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8**  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9**  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state ►** .....
- 10**  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a**  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b**  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12**  An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13**  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization:  Type 1  Type 2  Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14**  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	43,061	33,046	4,273	NA	80,380
<b>16</b> Membership fees received . . . . .	0	0	0	NA	0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose . . . . .	1,460	1,340	0	NA	2,800
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .	1	1	0	NA	2
<b>19</b> Net income from unrelated business activities not included in line 18. . . . .	0	0	0	NA	0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .	0	0	0	NA	0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .	0	0	0	NA	0
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .	0	0	0	NA	0
<b>23</b> Total of lines 15 through 22 . . . . .	44,522	34,387	4,273	NA	83,182
<b>24</b> Line 23 minus line 17 . . . . .	43,062	33,047	4,273	NA	80,382
<b>25</b> Enter 1% of line 23 . . . . .	445	344	43	NA	832
<b>26 Organizations described on lines 10 or 11:</b> <b>a</b> Enter 2% of amount in column (e), line 24 . . . . . ▶					26a NA
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. <b>Do not file this list with your return.</b> Enter the total of all these excess amounts ▶					26b NA
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					26c NA
<b>d</b> Add: Amounts from column (e) for lines: 18 <u>NA</u> 19 <u>NA</u> 22 <u>NA</u> 26b <u>NA</u> . . . . . ▶					26d NA
<b>e</b> Public support (line 26c minus line 26d total) . . . . . ▶					26e NA
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . . ▶					26f NA %
<b>27 Organizations described on line 12:</b> <b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." <b>Do not file this list with your return.</b> Enter the sum of such amounts for each year: (2004) <u>6,034</u> (2003) <u>7,102</u> (2002) <u>3,413</u> (2001) <u>NA</u>					
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) <b>Do not file this list with your return.</b> After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) <u>0</u> (2003) <u>0</u> (2002) <u>0</u> (2001) <u>NA</u>					
<b>c</b> Add: Amounts from column (e) for lines: 15 <u>80,380</u> 16 <u>0</u> 17 <u>2,800</u> 20 <u>0</u> 21 <u>0</u> . . . . . ▶					27c 83,180
<b>d</b> Add: Line 27a total, <u>16,550</u> and line 27b total <u>0</u> . . . . . ▶					27d 16,550
<b>e</b> Public support (line 27c total minus line 27d total) . . . . . ▶					27e 66,630
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . . . ▶					27f 83,182
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶					27g 80 %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶					27h 0 %
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. <b>Do not file this list with your return.</b> Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 7 of the instructions.)  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ..... ..... .....		
<b>32</b>	Does the organization maintain the following:		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .		
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .		
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....		
<b>33</b>	Does the organization discriminate by race in any way with respect to:		
<b>a</b>	Students' rights or privileges? . . . . .		
<b>b</b>	Admissions policies? . . . . .		
<b>c</b>	Employment of faculty or administrative staff? . . . . .		
<b>d</b>	Scholarships or other financial assistance? . . . . .		
<b>e</b>	Educational policies? . . . . .		
<b>f</b>	Use of facilities? . . . . .		
<b>g</b>	Athletic programs? . . . . .		
<b>h</b>	Other extracurricular activities? . . . . .		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....		
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement.		
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group. Check **b**  if you checked "a" and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures . . . . .	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount. Enter the amount from the following table—		
	<b>If the amount on line 40 is—</b> <b>The lobbying nontaxable amount is—</b>		
	Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .	<b>41</b>	
	Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000. . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 . . . . . \$1,000,000 . . . . .		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41). . . . .	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36. . . . .	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38. . . . .	<b>44</b>	

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures . . . . .					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures . . . . .					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers . . . . .	<input checked="" type="checkbox"/>		
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> ). . . . .	<input checked="" type="checkbox"/>		
<b>c</b> Media advertisements . . . . .	<input checked="" type="checkbox"/>		0
<b>d</b> Mailings to members, legislators, or the public . . . . .	<input checked="" type="checkbox"/>		0
<b>e</b> Publications, or published or broadcast statements . . . . .	<input checked="" type="checkbox"/>		0
<b>f</b> Grants to other organizations for lobbying purposes . . . . .	<input checked="" type="checkbox"/>		0
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body. . . . .	<input checked="" type="checkbox"/>		0
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .	<input checked="" type="checkbox"/>		0
<b>i</b> Total lobbying expenditures (Add lines <b>c</b> through <b>h</b> ). . . . .			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

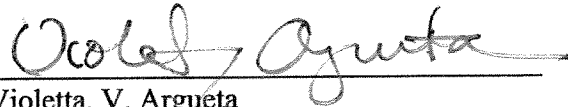


Attachment to Form 990 EZ for CY 2005  
Cairn Rescue USA  
F.D.R. Station, P.O. Box 6798  
New York, NY 10150-6798  
EIN 06-1660788

**WRITTEN DECLARATION**

The undersigned officer of Cairn Rescue USA hereby certifies that the attached document is a complete and accurate copy of the bylaws of Cairn Rescue USA as amended to date.

In Witness Whereof, the undersigned has executed this declaration as of the 15<sup>th</sup> day of August, 2005.



Violetta. V. Argueta  
President & Chief Financial Officer

BY-LAWS

OF

CAIRN RESCUE USA

(A New York Not-For-Profit Corporation)

ARTICLE I

Membership

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

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

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

4. Voting. All Members shall have one vote and except as set forth in Article II, Section 3 of these Bylaws, shall vote together as one class, regardless of the type of membership held. In order to be eligible to vote, a Member shall be in good standing at the time that the voting takes place and if the voting is for the annual election of Directors, shall have been a Member during the 60 days immediately preceding the election. Members who do not act in person may designate representatives or proxies to act for them in meetings of this Corporation. Proxies may be granted by any legally permissible means, including by electronic transmission. For purposes of these bylaws "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process. A proxy, consent or ballot transmitted by

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

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

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

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

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



concurrent or in advance of such meeting copies of such report by electronic transmission or by posting the report to the Corporation's website.

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

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

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

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

ARTICLE II

Board of Directors

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

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

3. Election, Term of Office, Classification.

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

(b) The initial two classes of the Board shall consist of the class of 2004 and the class of 2005. The class of 2005 shall be elected by the Members, voting together as one class, by a plurality of the votes cast at the first Annual Meeting to be held in December 2003. The class of 2006 and the class of 2007 shall be elected by the Members, voting together as one class, by a plurality of the votes cast at the Annual Meetings to be held in December 2004 and December 2005, respectively. Commencing with the Class of 2008, to be elected in December 2006, the 3 directors in each class shall be elected as follows: one director shall be elected by the Life Members, one director shall be elected by the Honorary Members, and one director shall be elected by the Regular Members. All directors in a class, including the initial directors, shall serve for terms of two years or until their successors have been elected and qualified.

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

fostered 5 dogs or more during such period shall be entitled to cast 2 votes. Foster Homes may vote in person or by proxy.

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

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

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

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

#### 4. Meetings.

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

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

(c) Call. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of

any director or by any officer entitled to call a special meeting of the Board under the circumstances set forth in Article III.

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

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

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

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

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

Such committees shall have the power to recommend action to the Board but shall not have the power to take any corporate action.

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

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

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

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

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

### ARTICLE III

#### Officers

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

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

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

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

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

4. Secretary. The Secretary shall attend all meetings of the Board of Directors and of the Members, and record all the proceedings of such meetings in a

book to be kept for that purpose; shall give or cause to be given notice of all special meetings of the Board of Directors and of the Members; shall have custody of the corporate seal of the corporation, if any, with authority to affix the same to any instrument or document requiring it, and, when so affixed, it may be attested by her signature; and when so required, shall certify, on behalf of the Corporation, resolutions, authorizations, and other actions taken by the Board, and the incumbency of the officers of the Corporation authorized by the Board or these bylaws to execute contracts and instruments. The Secretary shall also keep electronic databases of the Corporation's rescue dogs, Members, Foster Homes, other volunteers, and adoptive homes and such other electronic records as may be requested by the Board of Directors from time to time. The Secretary may, but need not be, a director. The Secretary may appoint one or more Assistant Secretaries to assist her in the performance of these duties, provided that such appointment shall require ratification by a majority of the Board to become effective.

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

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

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

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

9. Vice President, Foster Homes.

(a) The VP of Foster Homes shall recruit, and have full discretion and authority to approve, Foster Homes to harbor, care for and rehabilitate the Cairns in the Corporation's rescue program. The VP of Foster Homes shall determine where each of the Corporation's dogs are to be fostered, subject to consultation with the Intakes Co-Manager for the region where the dog is coming from (but only if the dog is a new Intake), the Chief Financial Officer (but only if an air transport is involved), and/or the VP of Transport (but only if his/her assistance will be required for transporting the dog to its Foster Home).

(b) The VP of Foster Homes shall also be responsible for (i) coordinating the veterinary care required by the Corporation's Cairns, in consultation with the Chief Financial Officer, the dogs' respective Foster Homes, and in the case of new Intakes, the Co-Manager of Intakes or other Intakes representative who handled such intakes; (ii) collecting writeups of the Corporation's available Cairns from their Foster Homes for listing them on the Cairn Rescue USA website and Petfinder.com; (iii) obtaining regular updates and photos of such Cairns from their Foster Homes; (iv) monitoring the submission of foster home reports by the Foster Homes; and (v) providing (or causing to be provided) to each Foster Home a copy of the Corporation's Foster Home Companion guide and Foster Home Agreement (or Foster-To-Adopt Agreement if the dog is being fostered pursuant to the Corporation's Foster-To-Adopt program). The VP of Foster Homes may delegate these duties to one or more assistants working under her supervision.

(c) In addition the VP of Foster Homes shall coordinate the annual election of the Foster Home elected director with the VP of Legal Affairs.

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

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



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

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

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

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

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

17. Vice President, Post-Adoption. The VP of Post-Adoption shall be responsible for ensuring that the Foster Home has contact with the adoptive home at such

intervals as are determined by the Board of Directors, and in the absence of such contact or if the Foster Home otherwise declines to make the contact, shall contact the adoptive home himself/herself at the determined intervals. The purpose of such contact shall be to ensure that any problems presented by the rescue dog in its new environment are addressed timely and to ensure a smooth transition by the rescue dog into its new home. The VP of Post-Adoption shall also oversee the compliance by the adoptive home with any special conditions of adoptions, such as the spay/neuter of dogs adopted as puppies, special veterinary care, completion of an obedience course, etc. The VP of Post-Adoption shall be designated as the official contact point for adoptive homes to contact if any issues arise with the rescue dog in the future.

18. Co-Managers of Intakes.

(a) There shall be 4 Co-Managers of Intakes, each one responsible for 12 of the contiguous states of the US as determined by the Co-Managers in consultation with the President. The Co-Managers shall be appointed by the Board.

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

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

exceed the Threshold , the costs for spaying/neutering the dog, inoculations, heartworm and fecal tests, and a routine examination shall not be taken into account, and the Co-Manager of Intakes for the state in which the dog is located shall attempt to obtain an estimate from a licensed veterinarian practicing in the locality where the dog is reasonably likely to be fostered and treated. The “Threshold” for these purposes shall initially be \$500 but may be changed from time to time by resolution of the Board of Directors.

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

19. Regions; Placement Directors.

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

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

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

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

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

#### ARTICLE IV

##### Books and Records

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

#### ARTICLE V

##### Corporate Seal

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

#### ARTICLE VI

##### Fiscal Year

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

#### ARTICLE VII

##### Indemnification and Insurance

1. Except as otherwise directed by the Board of Directors, any director or officer made a party to an action or proceeding, whether civil or criminal, by

reason of the fact that he is or was a director or officer of the corporation shall be indemnified by the Corporation to the full extent permitted by law.

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

## ARTICLE VIII

### Amendments

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