

THE HEALTH TRUST FUND
OF
THE SCOTTISH TERRIER CLUB OF AMERICA

WHEREAS the Scottish Terrier Club of America (STCA) was created and exists as a NOT-FOR-PROFIT CORPORATION with the purpose of promoting the quality breeding of pure-bred Scottish Terriers and to do all possible to bring their natural qualities to perfection; and,

WHEREAS the health and well-being of the Scottish Terrier breed is an inherent concern of the STCA, its members, and all who share in the goals and objectives of the STCA; and,

WHEREAS, as defined by the STCA Board of Directors (STCA Board), "Health is the state of complete mental, physical, and social well-being, not merely the absence of disease or infirmity. This begins with genetic endowment but includes the interaction of the body with the environment. The environment includes physical surroundings, good nutrition, and nurturance. Research is the studious inquiry, systematic investigation of some phenomenon or series of phenomenon, acquisition of knowledge, and dissemination of the findings of such study, and education which are primary objectives," and that the mission of the Health Committee of the STCA is to:

1. Detect and investigate health problems,
2. Monitor health in Scottish Terriers,
3. Participate in research to enhance the prevention of illness,
4. Develop and advocate sound breeding practices,
5. Foster safe and healthful environments,
6. Study and share information that promotes better health in our dogs,
7. Promote and encourage constructive attitudes toward health concerns; and,

WHEREAS, as with most breeds of dogs, the Scottish Terrier is affected from time to time by certain diseases and defects from genetic or other causes which can only be cured or contained through a better understanding of the causes and treatment or other remedies for such diseases and defects; and,

WHEREAS, the STCA Board deems it appropriate and necessary to establish a special fund for the purposes of funding, whole or in part, research and studies into the diseases and defects affecting the Scottish Terrier, and for the purposes of education, including, but not limited to, education of STCA members on health issues, and disseminate the results of such research, studies, and educational programs to breeders and owners of Scottish Terriers

and other pure-bred dogs in order to enhance the opportunities for the cure or containment of such diseases and defects:

NOW, THEREFORE,

1. There is hereby created a special Trust fund to be held separate and apart from all other funds of the STCA and to be known and maintained as “THE HEALTH TRUST FUND OF THE SCOTTISH TERRIER CLUB OF AMERICA” (the “Fund”). The Fund shall be initially funded by the contribution of \$8,000.00 from the existing funds of the STCA raised from the 1993 Montgomery County Health Fair and Auction, for health research and education, which contribution is hereby approved and authorized. The Fund shall be governed by the terms and conditions of this document which shall be referred to as the “Trust Agreement.”
 - a. The Fund shall be governed by a maximum of nine (9) but no fewer than seven (7) Trustees, until changed by a majority vote of the STCA Board. At all times the authorized number of Trustees shall be an odd number. However, in the event that all available Trustee seats have not been filled by the STCA Board, for any reason, the Fund shall conduct business as usual except that if given an even number of Trustees serving, the Health Trust Fund (HTF) Chairperson shall abstain from voting except to break a tie.
 - b. All Trustees shall be elected by a majority vote of the STCA Board. The STCA Board shall elect Trustees at the special Board meeting in October of each year, prior to the annual meeting of the STCA. One (1) of the Trustees shall be a past or current Board member of the STCA and the remaining eight (8) may be members of the STCA but are not required to be. As a guideline for the election of Trustees, it is recommended that three (3) of the Trustees have experience in fields in which this Fund is intended to support (e.g., programs, projects, and activities), and one (1) have experience in the field of finance. Trustees shall serve for a term of three (3) years each or until their respective successors are elected and agree to serve as herein provided; however, in order to create staggered terms for Trustees, the initial terms of office for successor Trustees shall be one (1), two (2), and three (3) years respectively; thereafter, each Trustee shall serve a term of three (3) years. There is no limit on the number of consecutive terms a Trustee may serve.

2. The STCA Board reserves the right exclusively to determine and make final decisions as follows:
 - a. On the election of Trustees of this HTF as described in Section 1 above.
 - b. On the amendment of the Trust Agreement.
 - c. On the termination of the Fund and distribution of its assets on the date of termination (See Paragraph 11).
3. All other powers of the Fund shall be exercised by the Trustees of the Fund acting as a board of trustees with each Trustee having one (1) vote. No proxy voting shall be permitted. Except as provided below with respect to actions by unanimous written consent, Trustees may act only upon the affirmative vote of at least five (5) Trustees at a duly called and noticed meeting. Trustees may meet in person or by any means of conference communication in which each Trustee can hear the discussion of matters under consideration, or by a combination thereof, not less frequently than annually. The annual meeting date shall be established by the Chairperson, but additional meetings may be called by written notice signed by three (3) or more Trustees. No meeting or conference of the Trustees shall be held except upon written notice given at least seven (7) days in advance of the meeting or conference except in a meeting or conference in which such notice is waived by all Trustees. Participation in a meeting or conference by a Trustee shall be deemed as a waiver of notice of the meeting unless the Trustee announces at the beginning of the meeting that he or she is not waiving notice of the meeting. Alternatively, advance notice of any meeting can be waived by the unanimous written consent by all Trustees.
 - a. Trustees shall elect, by majority vote, one of their members to serve as Chairperson, one of their members to serve as Secretary, and one of their members to serve as Treasurer. Such Chairperson, Secretary, and Treasurer shall serve for terms of one (1) year or until their successors are elected and agree to serve. The Chairperson shall preside at all meetings or conferences of the Trustees but shall not be prevented from voting by virtue thereof, except as described in Section 1a. above. The Secretary shall take and maintain minutes and all official records of the proceedings of the Trustees. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Fund's assets, liabilities, and transactions. The Chairperson shall designate two (2) Trustees, one of whom shall be the Treasurer, as authorized to write checks, and the signature of both designated Trustees shall be required to sign checks in the amount above a pre-determined

amount on the Fund's checking account. This amount will be decided yearly at the HTF's annual meeting. Except as otherwise expressed herein, all meetings or conferences of Trustees shall be conducted in accordance with the most current edition of Roberts' Rules of Order.

4. No Trustee shall be personally liable or answerable for the exercise of any discretion or power herein provided with respect to the Fund or for anything whatsoever in connection with the Fund, except for his or her own misconduct or negligence; provided, however, that no Trustee shall be liable for any error in judgment made in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. Nothing herein contained shall require any Trustee to risk or expend his or her own funds or otherwise incur any financial liability in the performance of any duty hereunder, or in the exercise of any right or power pursuant hereto. The Trustees are authorized to procure Directors and Officers liability or similar insurance coverage.
5. No Trustee shall be entitled to any salary, fee, or other compensation for service as a Trustee. The Trustees of the Fund may decide, by majority vote to reimburse one or more Trustees for any actual expenses incurred in the performance of his or her duties and responsibilities pursuant hereto with respect to the Fund.
6. A vacancy among the Trustees can occur by virtue of (i) the death, incapacity, or resignation of a Trustee, or (ii) upon a determination by a two-thirds affirmative vote of the STCA Board, after notice of at least thirty (30) days in writing to the affected Trustee and all other Trustees and a hearing which may be specifically conducted or conducted in conjunction with the regular business of the STCA, that a Trustee has been found guilty of misconduct or negligence in the performance and discharge of duties and responsibilities with respect to the Fund. For purposes hereof, a Trustee shall be conclusively presumed to be powerless and his or her Trusteeship vacated if:
 - a. such a Trustee is adjudged by a court of competent jurisdiction to not be mentally competent or physically capable of attending to his or her own affairs, or
 - b. a petition or other proceeding is filed in a court of competent jurisdiction which seeks, in whole or in part, to have a conservator, receiver, or trustee appointed for such Trustee, or his or her personal affairs; and such petition or other proceeding is not withdrawn, dismissed, or determined in favor of such Trustee within sixty (60) days of the filing thereof, or

- c. a letter is received by the STCA Board from the current physician of that Trustee stating that the trustee is unable to manage his or her own affairs. In the event of a vacancy, the majority of the STCA Board shall, at a special meeting, or by voting by mail or email, elect a successor Trustee to serve the remainder of the term of the Trustee whose trusteeship is now vacant.
- 7. Trustees shall, subject to the rights expressly reserved by the STCA Board, have full legal authority to manage and control the Fund. Trustees shall exercise their independent judgment with respect to the administration of the Fund and shall not be required to take any action or to be omitted from taking any action which in their good faith judgment is not in the best interests of the Fund and the purposes for which it was created. In the administration of the Fund, Trustees are hereby empowered as follows:
 - a. To establish a Financial Advisory Committee (minimum of 3 people) to review investment strategies.
 - b. To accept and receive grants, contributions, and bequests for the purposes of the Fund from individuals and organizations, including state, federal, and local governments. Any such grants, contributions, and bequests may be conditioned upon the raising of matching funds or other such conditions as the Trustees may in their discretion approve; but no such grant, contribution, or bequests to the Fund shall be accepted or received by the Trustees if the acceptance or receipt of the same will jeopardize the deductibility of grants, contributions, or bequests to the Fund for purposes of regular federal income or estate taxation by persons or organizations who make such grants, contributions, or bequests.
 - c. To establish depository relationships in the name of and for the credit of the Fund with one or more financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation or its successor.
 - d. To invest and reinvest monies, including investment earnings, in or standing to the credit of the Fund in:
 - i. Direct, general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or any obligations unconditionally guaranteed as to the payment of principal and interest by the full faith and credit of the United States of America.

- ii. Bonds, debentures, or notes, or other evidence of indebtedness payable in cash issued by or in combination with any agencies whose obligations represent full faith and credit of the United States of America.
- iii. The following investments, fully insured by the Federal Deposit Insurance Corporation: certificates of deposit, savings accounts, deposit accounts or depository receipts of banks and federal savings banks.
- iv. Money market funds rated in the highest rating category by Moody's Investors Service or Standard and Poor's Corporation, or their successors, or any other nationally recognized credit rating agency or organization whose ratings are considered by registered broker dealers to be reliable in evaluating the credit worthiness of investments (such rating agencies being hereinafter referred to as a "Rating Agency").
- v. Investment agreements with institutions whose long-term unsecured debt is rated, with regard to the qualification of such rating by symbols such as "+" or "-" or numerical notation, in one of the two highest rating categories by a Rating Agency.
- vi. Any participation certificate of the Federal Home Loan Mortgage Corporation or any mortgage-backed securities of the Federal National Mortgage Association; and
- vii. Investment agreements with registered broker-dealers under the Securities Exchange Act of 1934 and which firms are insured by the Securities Investors Protection Corporation or its successors, for the creation of account(s) consisting of managed balanced investments in publicly traded equities, bonds, and/or funds. Notwithstanding anything to the contrary herein contained, the investment and reinvestment of the monies in or standing to the credit of the Fund shall always be done with due regard for the purposes for which the Fund was created and no such investment or reinvestment shall be made for a term longer than that consistent with such purposes. Under no circumstances shall any monies in or standing to the credit of the Fund be loaned to the STCA or invested in any obligation of or secured by a pledge by the STCA.
- viii. To liquidate investments of assets in or standing to the credit-of the Fund from time to time and to reinvest or hold without reinvestment the

proceeds of such investments for the purposes for which the Fund was created.

- e. To contract in writing with one or more persons or organizations deemed qualified by the Trustees to conduct studies, or research, or education which, in the judgment of the Trustees, has a reasonable likelihood of leading to a cure for, improved treatment, or better understanding of the causes of one or more diseases or defects affecting Scottish Terriers; provided; however, no such contract shall be entered into unless such contract provides, among other things, that:
 - i. Upon completion of the study or research for which the contract is made, the contracting party will furnish the Trustees with a written report of the study or research, including, but not limited to, a description of the undertaking and the conclusions reached and the basis for such conclusions, and the Trustees shall promptly furnish a copy of the said written report to the STCA Board; and
 - ii. The contracting party will grant a joint, unlimited license for the Trustees to reproduce the report or a summary thereof and use the same without restriction for such purposes as the Trustees deem appropriate; and further, however, that the Trustees shall not contract with:
 - (i) Trustees or members of the STCA Board, or
 - (ii) any organization for which a Trustee or member of the STCA Board serves as an officer, director, or Trustee, or
 - (iii) any person or organization that constitutes a “related party” to a Trustee or member of the STCA Board within the meaning of such term as defined in the Internal Revenue Code of 1986, as amended, or
 - (iv) any person or organization, if such contracting would jeopardize the deductibility of grants, contributions, or bequests to the Fund for purposes of regular federal income or estate taxation by persons or organizations making such grants, contributions, or bequests.
- f. The Trustees may, by resolution, create one or more committees. Any such resolution shall specify the purpose and anticipated duration of the committee,

shall appoint the specific members of the committee, and shall specify the committee's quorum and authority. Any committee so created shall not have the full authority of the Trustees and may only present its findings and recommendations to the Trustees for consideration.

8. Notwithstanding anything to the contrary herein contained, the Fund is organized and established exclusively for the purposes herein specified, and the Trustees shall operate and administer the Fund exclusively for such purposes and no others.
 - a. No part of the activities of, or with respect to the Fund, shall be for the purpose of or involve carrying on propaganda or otherwise attempting to influence legislation, and the Fund shall not be used directly or indirectly for the purpose of participating or intervening in, including the publishing of statements, any political campaign on behalf of any candidate for public office.
 - b. This Fund is organized exclusively for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3) or the corresponding provision of any future United States internal revenue law. Despite any other provision of the Trust Agreement, the Fund shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of this Fund, and the Fund shall not carry on any other activities not permitted to be carried on by (a) an organization exempt from federal income tax under Internal Revenue Code section 501(c)(3), or the corresponding provision of any future United States internal revenue law, or (b) an organization, contributions to which are deductible under Internal Revenue Code section 170(c)(2), or the corresponding provision of any future United States internal revenue law.
9. Annual Report. The Trustees will cause an annual report, including a financial statement, to be sent to each Trustee of the Fund and to the SCTA Board no later than 120 days after the close of the Fund's fiscal year. The annual report must summarize the Fund's activities for the preceding year and activities projected for the forthcoming year. The financial statement shall be prepared by the Treasurer and will consist of a balance sheet as of the close of business of the Fund's fiscal year and a summary of receipts and disbursements, prepared in manner and form as is sanctioned by sound accounting practices.
10. Trustees shall not engage in any activities for the purpose of or resulting in the private profit of any of them or of the directors, officers, or employees of the STCA, or of any person or organization giving, granting, contributing, or bequeathing property to the Fund and no part of the Fund's net earnings shall inure, in whole or in part, to any

person having a personal or private interest in the Fund or the STCA. Trustees shall not engage in any act of self-dealing as defined in the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent code or law; nor retain any excess Fund earnings or holdings not necessary or prudent for the purposes for which the Fund is established; nor make any investment in such manner as to incur tax liability under the Internal Revenue Code of 1986, as amended, or the corresponding provisions of or any subsequent code or law.

11. The term of this Fund is perpetual. However, the STCA Board may, at any time, consider the recommendation by unanimous vote of the Trustees that the Fund be terminated. Upon the dissolution, liquidation or winding up of this Fund, or upon abandonment, the assets of this Fund remaining after payment of or provision for all debts or liabilities of this Fund shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes, and which has established its tax-exempt status under Internal Revenue Code section 501(c)(3).
12. This Trust Agreement may be amended by a majority vote of the STCA Board. In no event shall the Trust Agreement be amended in a manner that changes the purposes for which the Fund is established.
13. This Trust Agreement shall be deemed to be a covenant and contract between the STCA and its HTF Trustees, for the benefit of persons and organizations making grants, contributions, and bequests to the Fund.
14. This Trust Agreement and the Fund hereby established shall be subject to and construed in accordance with the applicable laws of the United States of America and of the State of New Jersey without regard to laws with respect to conflicts of law or choice of law.
15. This Trust Agreement and Fund was originally authorized by Resolution of the STCA Board and adopted at a special meeting of the STCA Board, on October 6, 1994, was amended thereafter and has been completely restated by Resolution of the STCA Board at a special meeting held on October 5, 2022, after giving all of the required notices, at which a quorum was present and voting throughout, by a majority of entire Board.

IN WITNESS THEREOF, this Trust Agreement has been restated, entered into, and executed on this 5th day of October, 2022.

THE SCOTTISH TERRIER CLUB OF AMERICA, INC., A NEW JERSEY NOT-FOR-PROFIT CORPORATION

By _____
President

ATTEST:

Secretary

ACCEPTED BY TRUSTEES

_____ Date _____
_____ Date _____
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Adopted October 8, 1994; Amended January 1, 1995; August 6, 1996; October 1, 2008; October 1, 2008; October 1, 2008; April 24, 2009; October 6, 2011; June 17, 2020; and Restated October 5, 2022.