

MI-ALPACA

MICHIGAN ALPACA LIVESTOCK
PRODUCTS AND COMMERCE
ASSOCIATION, INC

BY-LAWS

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**BY-LAWS OF
MICHIGAN ALPACA LIVESTOCK PRODUCTS AND COMMERCE ASSOCIATION,
INC.**

ARTICLE I PURPOSE

Section 1.1 Purpose. The purpose of MI-ALPACA shall include but not be limited to the following:

- A. To promote the growth and prosperity of the Alpaca industry in the State of Michigan
- B. To promote through education and events, public awareness of Alpacas, their fiber and related business interests
- C. To organize and conduct member oriented events to further the education of members, and provide the opportunity to share their ideas, knowledge, desires and goals, and encourage companionship.
- D. To serve as an industry and marketing group to promote and protect the collective legal and economic interests of the Association's members.

ARTICLE II MEMBERSHIP

Section 2.1 Membership. Any person or organization interested in the purpose of MI-ALPACA may become a Member. Membership shall be granted upon written application submitted in the form and manner specified by the Board of Directors of MI-ALPACA and accompanied by the annual dues.

Section 2.2 Dues. The annual dues shall be set by the Board of Directors.

Section 2.3 Membership Classes. Initial classes of membership to be recognized by the Association are:

- A. Regular Membership – Full voting membership
- B. Associate membership – Members who are interested in the Alpaca industry who don't wish to fully participate in the organization.
- C. Student membership - Members who are less than 18 yrs of age or are college students who are not Regular Members.

Other classes of Membership may be added by the Board of Directors. An additional class having voting privileges must be submitted to the voting membership at the annual meeting for approval by majority vote of the members voting, prior to the inclusion of the new voting class. The Board of Directors may set different privileges and dues requirements for each class of membership.

Section 2.4 Voting Rights. Each Regular Membership shall be entitled to one vote on all matters submitted to a vote of the Members.

Section 2.5 Revocation of Membership. Loss of membership is automatic when the member fails to pay association dues by the annual renewal date as set by the Board of Directors. The Board of Directors, by affirmative vote of the majority of directors, may suspend or revoke the membership status of any person or organization, if in the judgment of the Board, such action is in the best interests of the Association. The Board

will notify the member in writing of the grounds for revocation of membership at least 30 days prior to a vote on the issue to allow the member to be heard at the meeting prior to the vote. The Board may revoke membership status for one or more of, but not limited to, the following reasons:

- A. The member fails to pay for items or services billed by the Association within a reasonable period of time.
- B. The member uses the Association mailing list(s) or membership directory information for purposes not intended by the Association such as but not limited to: (i) The mailing of anonymous material about the Association or one of its Members, or (ii) To promote a business or activity not in the best interests of the Association,
- C. The member participates in any activity in opposition to the purpose of or intended to be detrimental to the Association

ARTICLE III MEETINGS OF MEMBERS

Section 3.1 Annual Meeting. There shall be an Annual Meeting of the Membership called by the Board of Directors. At the Annual Meeting of the membership, the Members shall transact such business as shall properly come before them including the election of Directors.

Section 3.2 Special Meetings. Special meetings of the Membership may be called by a majority vote of the Board of Directors, or by petition to the Board of Directors of not less than one-third (1/3) of the members having voting rights.

Section 3.3 Notice of Meeting. Notice stating the location, date, and hour of any meeting of the membership shall be delivered to each Member not less than twenty (20), nor more than forty five (45), days before the date of the meeting. The notice shall state the purpose of the meeting and shall allow the member to cast their ballot on any issues to be voted upon at the meeting..

Section 3.4 Quorum. Thirty percent (30%) of all Members entitled to vote at any duly noticed Membership meeting shall constitute a quorum at such meeting. For purposes of establishing a quorum, any mail or electronic ballot duly certified shall be considered as if the Member was present. If a quorum is not present, a majority of the members present may adjourn the meeting to a time certain without further notice.

Section 3.5 Manner of Acting. If a matter on the agenda of any meeting is submitted to Members for a vote, a Member may vote by mailing the ballot enclosed with the notice of the meeting to the designated person. No vote shall be counted unless postmarked by a date set by the Board of Directors, which date shall be indicated on the ballot. Final tabulation of the ballots shall not occur prior to the meeting to allow members the option of voting at the meeting. A majority of the Members present or voting by mail or electronic ballot on a matter at a meeting at which a quorum is present shall be necessary for the adoption of the matter being voted on unless a greater proportion is required by the law or the By-laws.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1 General Powers. The property and affairs of MI-ALPACA shall be managed by its Board of Directors. The Board of Directors shall set policy, appoint Officers not elected by the Membership, and perform the duties as set forth in the By-laws. The Board of Directors may, at their sole discretion, adopt the findings of officers, employees, any duly constituted committee or outside consultants.

Section 4.2 Number, Election and Term. The initial Directors to serve until the first annual meeting and election of Directors of MI-ALPACA shall be named by the incorporator from the by-law development committee.

After the first annual meeting the Board of Directors shall be comprised of seven (7) members. The term of office of each member shall commence upon the adjournment of the Annual Meeting at which such Director is elected. A Director shall be eligible for re-election to succeed himself or herself. All expired terms shall be filled by election at the Annual Meeting of the Membership, according to Section 3.5 and Article VII. Directors may serve for an unlimited number of terms. All members of the Board of Directors shall be elected pursuant to Article VII.

Directors shall be natural persons who have attained the age of 18, and are Regular members in good standing.

At the first Annual Meeting four At-Large Directors shall be elected for one (1) year, and three Regional Directors shall be elected for three (3) years. In all subsequent elections Directors shall be elected for a term of three (3) years.

Directors shall serve a maximum of two consecutive terms. They may run for election to the Board again after being off for one complete term.

Section 4.3 Vacancies. Any vacancy occurring in any Directorship shall be filled by the remaining Directors, even though less than a quorum of the Board of Directors is remaining in office. The vacancy shall be filled by affirmative vote of a majority of the remaining Directors. A Director appointed to fill a vacancy shall complete the term of his or her predecessor in office.

Section 4.4 Location and Conduct of Meetings and Minutes. The Board of Directors of MI-ALPACA may hold meetings, both regular and special, either within or without the state of Michigan. The minutes of any meeting shall be taken by the Secretary and be available to the Membership.

Section 4.5 Notice of Regular and Special Meetings. The Board of Directors may by resolution provide for the time and place of regular meetings, and no notice of such regular meetings need be given. Special meetings of the Board of Directors may be called by the President. Notice of the time and place of such meetings shall be given to each member of the Board of Directors by first class mail or in person at least two (2) days before the meeting. Any member of the Board of Directors may execute a waiver of notice either before or after any meeting, and shall be deemed to have waived notice if he or she is present at such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be stated in the notice or waiver of notice of such meeting.

Section 4.6 Quorum. At all meetings of the Board of Directors, a majority of Directors in office at any time shall constitute a quorum for the transaction of business, and the act of a majority of the voting Directors present at a meeting where there is a quorum present shall be in the act of the Board of Directors, except as may be otherwise specifically provided by law or by these By-laws.

Section 4.7 Consent of Directors. Unless otherwise restricted by the Articles of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee, as the case may be, consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as an affirmative vote of the Board of Directors.

Section 4.8 Compensation of Directors. Directors shall not be entitled to any compensation for their services as Directors or members of any committee of the Board of Directors, except that by resolution of the Board of Directors, a Director shall be allowed reimbursement for any reasonable expenses incurred on behalf of MI-ALPACA, and expenses, if any, for attendance at each meeting of the Board. Any such compensation shall be budgeted for and approved by the Members at the Annual Meeting of the Membership.

ARTICLE V OFFICERS

Section 5.1 Number. The Officers of MI-ALPACA shall be elected by a majority vote of the Board of Directors and shall consist of a President, Vice President, Secretary, Treasurer. The Board of Directors may by resolution create additional officers to exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. No offices may be held concurrently by the same Member with the exception of the offices of Secretary and Treasurer.

Section 5.2 Term of Office. Each officer shall serve a one (1) year term with a maximum of three years in that position.

Section 5.4 Removal. Any Officer may be removed by a majority vote of the Board of Directors whenever in its judgment the best interest of MI-ALPACA will be served thereby.

Section 5.5 Vacancies. A vacancy in any office resulting from any cause may be filled by appointment of the Board of Directors, by a majority vote, for the remaining portion of the term.

Section 5.6 Powers and Duties. Except as hereinafter provided, the Officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time may be conferred by the Board of Directors.

DUTIES OF OFFICERS:

President: The president shall serve as chief administrative officer for MI-ALPACA and serves as Chairperson of the Board of Directors. The President shall make an annual

report on the affairs of the Board and the fiscal status of MI-ALPACA each January. The annual report shall include the date of the next Annual Meeting. The President shall make all appointments to committees formed at the direction of the Membership and/or the Board of Directors. The President shall approve all disbursements of MI-ALPACA funds and may delegate to the Treasurer discretionary authority to disburse amounts up to \$75.00. The President shall possess broad discretionary and delegatory powers to act as deemed necessary and proper to carry out the business of MI-ALPACA, as President of MI-ALPACA. The President shall call for and preside at all meetings of MI-ALPACA. Copies of any correspondence shall be provided to the Secretary for the official file of MI-ALPACA.

Vice President: The Vice President shall act in the capacity of the President at the President's bidding or in case of absence of the President. The Vice President shall automatically fill the term of the President, if the latter office becomes vacant.

Secretary: The Secretary shall keep the official list of all Members of MI-ALPACA and issue correspondence as directed by the President or the membership. The Secretary shall record the minutes of each meeting of MI-ALPACA and maintain the official file of MI-ALPACA correspondence and minutes. The minutes of each meeting shall be submitted to the membership by mail two weeks prior to the next meeting for ratification by the membership. Certificates of membership shall be issued by the Secretary.

Treasurer: The Treasurer shall collect all monies due MI-ALPACA and maintain all records of receipts and disbursements. The Treasurer shall send bills to all members of MI-ALPACA who are in arrears for dues. The Treasurer shall have care of funds of the Association and all funds shall be disbursed by the Treasurer with the approval and/or authorization of the President. The Treasurer shall furnish to the membership at least annually and at such times as called for by the Board of Directors a financial statement of all receipts and disbursements since the last statement. This statement together with all books, vouchers and all necessary documents shall be available for audit.

Non-Officer Board members: The non-officer members represent the general membership of MI-ALPACA and may be assigned tasks by the President.

ARTICLE VI COMMITTEES

Section 6.1 Committees. The Board of Directors, by resolution adopted by a majority of the Directors, may designate from among the Members, one or more committees, which may consist of one or more Directors. Any such committee, to the extent provided in the resolution, shall provide recommendations for action to be voted upon by the Board of Directors and, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors. Except as otherwise provided in such resolution, Members of each committee shall be Members of MI-ALPACA, and the President shall appoint the members thereof with the approval of the Board of Directors. Any member thereof may be removed by the Board whenever, in its judgment, the best interest of MI-ALPACA shall be served by such removal. The designation and appointment of any such committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or Officers, or any individual Director, of any responsibility imposed by law.

Section 6.2 Chairperson: One member of each committee shall be appointed Chairperson by the President with approval by the Board. The Chairperson shall call and preside over committee meetings and shall issue requested budgetary reports to the Board.

Section 6.3 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for in the case of original appointments.

Section 6.4 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the members of the committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VII NOMINATION AND ELECTION PROCEDURES FOR BOARD OF DIRECTORS AND OFFICERS

Section 7.1 Nomination Committee. The Board of Directors shall provide for the appointment of Members of MI-ALPACA, none of who shall be a Director, except for a Director that is not running for re-election, to constitute a Nomination Committee. The Nomination Committee shall actively recruit and Nominate candidates for election as Directors for the ensuing terms. The Nomination Committee shall recruit and nominate candidates for each vacancy on the Board of Directors and each office. The secretary shall prepare the ballots and mail them to all Members entitled to vote.

Section 7.2 Nomination by Petition. Three (3) voting Members in good standing of the Association may Nominate one or more candidates for Director or Officer by petition. The petition must be delivered to the Nomination Committee at least 60 days prior to the Annual Meeting.

Section 7.3 Ballot. A ballot containing the names of the Nominees shall be mailed by the Secretary to each Member of MI-ALPACA entitled to vote. The ballot may be accompanied by the statement of each Nominee in a form approved by the Nomination Committee. Ballots shall be sent to the voting membership at least 20 days but not more than 45 days prior to the date of the Annual Meeting

Section 7.4 Voting Procedure. Each Member entitled to vote shall exercise his or her right to vote by personal delivery or mailing the ballot to the Inspector of Elections. No ballot by mail shall be counted unless postmarked by the date set by the Inspector of Elections, which date will be indicated on the ballot. Procedures for balloting by mail shall be established to assure the secrecy of each Member's vote.

Section 7.5 Election. The Inspector of Elections or the President may complete the election and announce the results as soon as practical after the election but prior to the conclusion of the Annual Meeting of the Membership.

ARTICLE VIII OFFICES

Section 8.1 Registered Office and Agent. The registered office of the Michigan Alpaca Livestock Products and Commerce Association ("MI-ALPACA") shall be located in the State of Michigan at such place as shall be fixed from time to time by the Board of

Directors upon filing of such notice as may be required by law, and MI-ALPACA shall at all times maintain a registered agent at the address of the registered office. Any change of registered agent or registered office shall be effective upon filing notice with the State of Michigan unless a later date is specified.

Section 8.2 Other Offices. MI-ALPACA may also have offices at such other places both within and without the State of Michigan as the Board of Directors may from time to time determine and the business of the MI-Alpaca may require or make desirable.

ARTICLE IX BOOKS, RECORDS AND BUDGETS

Section 9.1 Records and Right of Inspection. MI-ALPACA shall correct and complete books and records of account and shall also keep minutes of the proceedings of its Members and Board of Directors and shall keep at its registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of MI-ALPACA may be inspected by any Member, or his or her agent or attorney, for any purpose at any reasonable time.

Section 9.2 Budget. The Board of Directors shall cause to be created an Annual Budget for the operation of MI-ALPACA, which shall be submitted to the Members at the Annual Meeting of the Membership for their approval.

ARTICLE X GENERAL PROVISIONS

Section 10.1 Fiscal Year. The fiscal year of MI-ALPACA shall be the calendar year ending December 31.

Section 10.2 Parliamentary Authority. The proceeding at all meetings of the Membership and the Board of Directors shall be governed by Roberts Rules of Order unless otherwise specified by the By-laws.

ARTICLE XI INDEMNIFICATION

Section 11.1 Actions Against Directors and Officers. MI-ALPACA shall indemnify, to the fullest extent permitted by the state law, any individual made a party to a proceeding because such individual is or was a Director or Officer of MI-ALPACA, against liability incurred in the proceeding, if such individual acted in a manner such individual believed in good faith to be or not opposed to the best interest of MI-ALPACA and, in the case of any criminal proceeding, such individual had no reasonable cause to believe such individual's conduct was unlawful.

ARTICLE XII AMENDMENTS

Section 12.1 Procedure. Amendments to the By-laws may be proposed by a petition signed by twenty percent (20%) of the Members in good standing of MI-ALPACA or by the majority vote of the Board of Directors. The By-laws may be amended by a two-thirds (2/3) affirmative vote, including votes cast by mail, of all Members entitled to vote at the Annual Meeting of the Membership. Notice that such business is one of the

purposes of the meeting of Members shall be given in advance to Members in the same manner and time as provided in Section 4.3 for Notice of Meetings. A copy of any proposed amendment of the By-laws, including any recommendations the Board of Directors may wish to make regarding the amendment, shall accompany the notice of the meeting. Members may vote on a proposed amendment by voting at the meeting or by mail. Votes cast by mail shall count for purposes of determining a quorum at a meeting. Any proposed amendment of the By-laws shall be submitted to the Board of Directors not less than sixty (60) days before the Annual Meeting of the Membership.

ARTICLE XIII NONPROFIT STATUS

Section 13.1 Tax Exempt Status. MI-ALPACA shall be operated exclusively for nonprofit purposes within the meaning of Section 501(c) (5) of the Internal Revenue Code of 1986, as amended (the Code). In furtherance of these purposes, MI-ALPACA shall take such actions to ensure compliance with its tax-exempt status under the Code in its efforts to promote the Alpaca industry in the state of Michigan and to facilitate communication and commerce among its members and the general public.

Section 13.2 Maintenance of Nonprofit Status. MI-ALPACA is not organized and shall not be operated for pecuniary gain or profit. No part of the property or the net earnings of MI-ALPACA shall inure to the benefit of or be distributed to any of its directors, officers, or other private persons, except that MI-ALPACA shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth herein. MI-ALPACA shall not carry on propaganda, or otherwise attempt to influence legislation to such extent as would result in the loss of its exemption from federal income tax under section 501 (c) of the Code.

Notwithstanding any other provisions of these By-laws, MI-ALPACA shall not carry on any other activities not permitted to be carried on by (a) any corporation exempt from Federal income tax under Section 501 (c) (5) of the Code (or the corresponding provision of any future U.S. Internal Revenue Law); or (b) any corporation contributions to which are deductible under Section 170 (c) (2) of the Code (or the corresponding provision of any future U.S. Internal Revenue Code).

Section 13.3 Payment of Liabilities and Distribution of Assets Upon Dissolution.

Upon Dissolution of MI-ALPACA, which may be authorized by the adoption of a resolution to dissolve by majority vote of the Membership, the Board of Directors shall, after paying or making provision for the payment of all liabilities of MI-ALPACA, distribute, transfer, convey, deliver and pay all remaining assets of MI-ALPACA to any other organization qualifying under Section 501 (c)(5) of the Code as an exempt organization operating for the same purposes for which MI-ALPACA is organized and operated, which shall be selected by the Board of Directors of MI-ALPACA: provided, however, that any such recipient organization or organizations shall at the time qualify as exempt from taxation under the provisions of Section 501 (a) of the Code, as an organization described in Section 501 (c)(5) of the Code, or corresponding provisions of any subsequent law. In the event that, for any reason, upon dissolution of MI-ALPACA the Board of Directors shall fail to act in a manner herein provided within a reasonable period of time, a judge of Michigan Court, shall make such distribution, exclusively upon the application of one or more persons having a real interest in MI-ALPACA or its assets.