

BYLAWS
OF
MAINE ALPACA ASSOCIATION

ARTICLE I
DEFINITIONS

When used in these Bylaws, the terms defined below shall have the meanings specified:

The "Certificate" shall mean the Certificate of Incorporation of the Corporation, including any and all amendments thereto, as then in effect.

The "Board" shall mean the Board of Directors of the Corporation.

The "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as from time to time in effect.

The "Corporation" shall mean the Maine Alpaca Association, a Maine non-profit corporation.

The "Corporation Law" or the "Law" shall mean the General Corporation Law of the State of Maine, 13-B M.R.S.A. Sec. 101, et. seq. and as then in effect.

The "State" shall mean the State of Maine.

ARTICLE II
CORPORATE OFFICES

SECTION 2.1 Principal Office. The principal office of the Corporation shall be located at such place as the Board may designate from time to time.

SECTION 2.2 Registered Office. The registered office of the Corporation in the State of Maine shall be 13 Robinson Road, Waldoboro, Maine 04572, or at such other address as the registered agent of the Corporation shall maintain.

SECTION 2.3 Other Offices. The Corporation may have offices at such other places either within or without the State as the Board may determine or as the Corporation's activities may require.

ARTICLE III

PURPOSES

SECTION 3.1 Purposes. The Corporation is organized and shall be operated primarily to promote the common business interests of its members operating sustainable alpaca farms and fiber operations in the state of Maine. Such activities may include, but are not limited to, the promotion of good animal husbandry, educational activities consistent with the needs of the Corporation's members and the public, affiliations to advance the use of alpaca fiber and products and the pursuit of governmental relationships to improve the growth of sustainable agriculture in Maine.

Notwithstanding any other provision of these Bylaws, the Corporation shall carry on only those activities permitted for corporations exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) and as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

SECTION 3.2 Powers. The Corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon corporations of this nature, and shall be subject to and have all the benefits of all general laws with respect to nonprofit corporations by the Corporation Law, provided that no part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation in carrying out one or more of its purposes).

SECTION 3.3 Distribution on Dissolution. Upon the dissolution of the Corporation or the termination of its activities, no member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets, and the assets of the Corporation remaining after the payment of all its liabilities shall be distributed exclusively to (a) one or more organizations that are then exempt from federal income taxation under Section 501(a) of the Code or (b) to the extent that such assets are not distributed in accordance with subsection (a), above, to one or more otherwise eligible organizations specified by the Corporation's Board of Directors.

SECTION 3.4 Tax Exempt Status. It is intended that the Corporation shall have and continue to have the status of a corporation exempt from federal income tax under Section 501(a) of the Code, as an organization described in Section 501(c)(6) of the Code. The Certificate and these Bylaws shall be construed accordingly, and all powers and activities shall be limited accordingly.

ARTICLE IV

MEMBERSHIP

SECTION 4.1 Members; Qualifications; and Voting. The Corporation shall have Members, who shall have be at least eighteen (18) years old and paid such annual membership dues as the Board may from time to time determine. Eligible members shall include individuals, farms, organizations or other business entities having a common interest in promoting the Corporation's primary purposes. Membership in other professional and/or trade associations within the alpaca industry is not required.

SECTION 4.2 Powers. The Members shall have such authority to manage or direct the affairs and activities of the Corporation as provided for in the Articles of Incorporation and these Bylaws and shall be expected to support and participate in the activities of the Corporation as directed by the Board. Specific rights reserved to the Members shall include the annual election of the directors, amendment of the Corporation's governing documents, approval of any merger, affiliation, or such other activity as would constitute a fundamental change in operations.

SECTION 4.3 Meetings and Notice. The Members shall meet quarterly at such place, date and hour as the Members determine with the annual meeting to be held in January. Special meetings of the Members may be called by a majority vote of the Board of Director or by a written petition duly signed by not less than one-tenth of the voting Members. Notice of the place, date, and hour of each meeting (i) shall be mailed to each voting Member, addressed to his or her residence or usual place of business, at least three business days before the meeting or (ii) shall have been sent to him or her at such place by telegram or cable, or by e-mail with confirmed acknowledgement of receipt at least twenty-four hours before the meeting. Except as otherwise expressly required by the Act, the Certificate, or these Bylaws, notices of meetings need not describe the purposes of or business to be transacted at the meeting. Notice of any Special meeting must identify the purpose of the meeting. Notice need not be given to any Member who is present at a meeting or who signs a written waiver of notice, either before or after the meeting. Notice of adjournment of any meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. Notwithstanding any provision of these Bylaws, defects in the calling or notice of a meeting of the Members shall be deemed waived to the extent provided by the Act.

SECTION 4.4 Quorum; Voting. At each meeting of the Members, twenty percent (20%) of the eligible voting membership shall constitute a quorum for the transaction of business. For purposes of voting and such other member rights as provide for herein, each business, organization and farm shall identify annually in writing the representative individual(s) having authority to exercise voting rights on behalf of the business, organization or farm. Any member business, organization or farm may identify more than one representative eligible to vote, but in all cases each business, organization or farm shall only be entitled to one vote. Except as otherwise provided by the Corporation Act, the Certificate, or these Bylaws, the vote of a majority of the Members present shall constitute the act of the Members.

ARTICLE V

THE BOARD

SECTION 5.1 General Powers. The Board of Directors shall be the governing body of the Corporation and shall have such authority to manage and direct the affairs and activities of the Corporation as provided for in the governing documents and as provided for by the Members. The principal duties of the Board shall include, without limitation, the establishment of committees in accordance with the Bylaws, the approval of the annual budget of the Corporation, the negotiation, review and approval of contracts and such other business activities as properly come before the Corporation. In their discretion, the directors may designate officers or, through employment relationships or contractual arrangements, other parties who shall be responsible for the day-to-day activities of the Corporation.

SECTION 5.2 Number. The number of directors constituting the Board shall be no fewer than five (5) and no more than fifteen (15), except as the Certificate may otherwise provide.

SECTION 5.3 Qualifications. Members of the Corporation who maintain an ownership interest in alpacas and have attained the age of twenty-one years of age, are residents of Maine and are in good standing in the Corporation are eligible for nomination as directors.

SECTION 5.4 Election and Term. Directors shall be elected annually by the Members and shall serve for a period of two (2) years. Each director shall hold office until the expiration of the term for which he or she is elected and until his or her successor has been elected and qualified, or until his or her earlier resignation, removal from office, death, or incapacity. Election of the directors shall occur at the annual meeting at which a slate of candidates shall be presented based on the recommendations of a nominating committee as appointed by the Board. For purposes of the initial election, the directors' terms shall be staggered so as to permit continuity of governance within the Board. Three of the initial directors shall be identified as serving a two year term with the remaining directors serving a one year term. All qualified individuals remain eligible for election as a director and there shall be no limit as to the number of terms a director may serve.

SECTION 5.5 Vacancies. Vacancies in the Board, including those created by an increase in the number of directors or by removal, may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill any vacancy shall be elected for the unexpired term of his or her predecessor.

SECTION 5.6 Removal. The Board may remove any director, with or without cause, by the affirmative vote of a majority of the directors then in office. The failure of a director to attend or participate telephonically in three successive Board meetings shall result in the director's automatic removal from the Board.

SECTION 5.7 Resignation. Any director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect on the date of receipt or at any later time specified therein.

SECTION 5.8 Meetings and Notice. The Board shall meet annually and on not less than a quarterly basis, at such place, date, and hour as the Board may determine. Special meetings of the Board may be called by the Chairperson or any two directors. Notice of the place, date, and hour of each meeting (i) shall be mailed to each director, addressed to his or her residence or usual place of business, at least three business days before the meeting or (ii) shall have been sent to him or her at such place by facsimile or e-mail with confirmed acknowledgement of receipt at least twenty-four hours before the meeting. Except as otherwise expressly required by the Act, the Certificate, or these Bylaws, notices of meetings need not describe the purposes of or business to be transacted at the meeting. Except as otherwise expressly required by the Act, the Certificate, or these Bylaws, notices of meetings need not describe the purposes of or business to be transacted at the meeting. Notice of any Special meeting must describe the purpose of the meeting. Notice of any meeting of the Board need not be given to any director who is present at a meeting or who signs a written waiver of notice, either before or after the meeting. Notice of adjournment of any meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. Notwithstanding any provision of these Bylaws, defects in the calling or notice of a meeting of directors shall be deemed waived to the extent provided by the Act.

SECTION 5.9 Quorum; Voting. At each meeting of the Board, a majority of the directors then in office shall constitute a quorum for the transaction of business. Except as otherwise provided by the Corporation Act, the Certificate, or these Bylaws, the vote of a majority of the directors present shall constitute the act of the Board.

SECTION 5.10 Conduct of Meetings. The Board shall designate a Chairperson of the Board who shall also serve as President of the Corporation) and who shall preside at meetings of directors, and perform such other duties as the Board may assign. At each such meeting the Secretary (or, in the absence of the Secretary, another person designated by the chairman of the meeting) shall keep minutes of all actions taken by the directors. Such minutes shall be filed with the Secretary as part of the corporate records.

SECTION 5.11 Committees. By resolution adopted by a majority of the directors then in office, the Board may designate from among its members an executive committee, consisting of five or more directors, and may designate such other committees as the Board deems necessary, which committees may consist of either members of the Board or other persons as designated in the resolution authorizing that committee. The Board may delegate to any such committees all or any portion of the authority of the Board, except authority to amend these Bylaws, and except to the extent prohibited by the Corporation Act. Each committee shall keep regular minutes of its meetings and shall report its actions to the Board when so requested.

SECTION 5.12 Director's Compensation. The directors shall not receive any stated salary for their services as such, but by resolution of the Board a reimbursement of expenses may be allowed for services rendered to the Corporation including attendance at corporate meetings.

SECTION 5.13 Telephonic Meetings. Members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone, video conferencing or similar communications equipment by means of which all persons

participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

SECTION 5.14 Consent of Directors. Any action required or permitted to be taken at a meeting of the Board or of any committee thereof may be taken without a meeting if written consents, setting forth the action taken, are signed (at any time before or after the intended effective date of such action) by all members of the Board or committee, as the case may be. Such consents shall be filed with the Secretary as part of the corporate records. For purposes of this section, an e-mail message sent by an individual director in a manner evidencing an intention to consent to a given action may be deemed the signed written consent of that director whenever authorized by the Chairperson or the Board.

SECTION 5.15 Confidentiality. Directors shall maintain as confidential information relating to the Corporation received in the course of their service as directors, except to the extent that such information (i) is already known to the receiving director at the time of receipt; (ii) is or becomes generally available to the public through no fault of the director receiving such information; or (iii) lawfully comes into the possession of the receiving director from an independent source who obtained it without any obligation of confidentiality to the other party or to others. Directors may not disclose, or cause their representatives to disclose, any such information without obtaining the prior approval of the Board; provided, however, that such information may be disclosed if and to the extent that the party receiving the information is compelled by subpoena or other legal process to disclose it, or if it shall be necessary for purposes of complying with any applicable law or regulation.

ARTICLE VI

OFFICERS; AGENTS

SECTION 6.1 Officers. The Corporation shall elect a Chairperson (who shall also serve as President), Treasurer, and Secretary. Any two or more offices may be held by the same person, provided that the Corporation shall have at least two individuals as officers. All officers may, but need not be, members of the Board of Directors.

SECTION 6.2 Election. The Chairperson, Treasurer, and Secretary shall be elected annually by the directors at their annual meeting. Other officers, if any, may be elected or appointed by the directors at any time.

SECTION 6.3 Term of Office; Removal. Officers shall hold office until the next annual meeting of the Board and until their successors are chosen and have qualified, or until their earlier resignation or removal from office. All officers serve at the pleasure of the Board and may be removed at any time by the Board, with or without cause. Removal from office, however effected, shall not prejudice the contract rights, if any, of the officer removed, nor shall election or appointment of an officer of itself create contract rights.

SECTION 6.4 Resignations. Any officer may resign by giving written notice to the

Chairperson. Unless otherwise specified therein, a resignation shall take effect upon receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.5 Vacancies. A vacancy in any office, however occurring, shall be filled in the manner prescribed by these Bylaws for regular election or appointment to such office.

SECTION 6.6 Powers and Duties. Except as hereinafter provided and subject to the control of the Board, each officer shall have such powers and duties as are customarily incident to his or her office or as the Board may otherwise prescribe.

(a) Chairperson of the Board of Directors. The Chairperson shall preside at all meetings of the Board, may cast a vote on all questions, and shall have such other powers and duties as may be determined by the Board. In the absence of the Chairperson, the quorum can appoint a director to act as chair for the meeting.

(b) Treasurer. The Treasurer shall have charge of, and be responsible for, all funds and securities of the Corporation, shall maintain full and accurate accounts of the Corporation's disbursements and receipts, shall report to the Board and the Members from time to time on the financial condition of the Corporation, and shall otherwise exercise the powers and perform the duties incident to the office of Treasurer. The Treasurer may certify or attest documents executed on behalf of the Corporation.

(c) Secretary. The Secretary shall attend meetings of the Board and record its proceedings. He or she may give, or cause to be given, notice of all meetings of directors of the Corporation. The Secretary shall keep records of all meetings of the Board and committees thereof. The Secretary may certify all votes, resolutions, and actions of the Board, and committees of the Board, and may attest all documents executed on behalf of the Corporation.

SECTION 6.9 Registered Agent. The Corporation shall have and continuously maintain a registered agent, who shall be a resident of the State whose business office is identical to the registered office, or a domestic corporation (or foreign corporation authorized to transact business in the State) whose business office is identical to the registered office, and who shall not be deemed an officer of the Corporation. The position of registered agent shall be ministerial in nature, and the registered agent, in his or her capacity as such, shall have no authority to engage in any policy making function on behalf of the Corporation, or to enter into contracts or incur debts on behalf of the Corporation. The Registered Agent may, but need not, hold another position as an officer of the Corporation.

ARTICLE VII

INDEMNIFICATION

SECTION 7.1 Mandatory Indemnification of Directors and Officers. Except to the extent expressly prohibited by law or by the Certificate or these Bylaws, the Corporation shall in all cases indemnify any existing or former director or officer of the Corporation who was or is a

party or is threatened to be made a party to any threatened, pending, or completed action, suit, or other proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Board as a director, officer, trustee, partner, manager, fiduciary, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, pension or other employee benefit plan, or other enterprise, or by reason of his or her conduct in any such capacity, against expenses (including, without limitation, costs of investigation and attorneys' fees, judgments, fines, penalties, and amounts paid in settlement) actually and reasonably incurred by him or her in connection with such action, suit, or proceeding. Provided, however, that indemnification shall not be mandatory in respect of (i) any action or claim by such person against the Corporation, or against one or more directors or officers of the Corporation in their capacities as such, or (ii) any action or claim by or in the right of the Corporation against such person if such action or claim was approved, prior to the filing thereof, by the affirmative vote of at least two-thirds of the directors of the Corporation then in office.

SECTION 7.2 Permissive Indemnification. Except to the extent that indemnification is mandatory under Section 7.1 above, the Corporation may, but shall not be required to, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or other proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, trustee, employee, partner, manager, fiduciary, or agent of another corporation, partnership, limited liability company, joint venture, trust, pension or other employee benefit plan, or other enterprise, or by reason of his or her conduct in any such capacity, against expenses (including, without limitation, costs of investigation and attorneys' fees, judgments, fines, penalties, and amounts paid in settlement) actually and reasonably incurred by him or her in connection with such action, suit, or proceeding. Such indemnification shall be subject to any restrictions imposed by applicable law or by the Board in its discretion.

SECTION 7.3 Indemnification Not Permitted. The Corporation shall not indemnify a director under this Article if he or she breached his duty to act in good faith and in a manner believed to be in or not opposed to the best interests of the Corporation, in good faith and the individual reasonably believed that, in the case of conduct in an official capacity with the Corporation, that the conduct was in its best interests or, in all other cases, that the conduct was at least not opposed to its best interests and, in the case of any criminal proceedings, the individual had no reasonable cause to believe the conduct was unlawful. in connection with a proceeding by or in the right of the Corporation in which that person was or is adjudged liable to the Corporation, or in connection with any other proceeding charging improper personal benefit to that person, whether or not involving action in that person's official capacity, in which that person was adjudged liable on the basis that personal benefit was improperly received by that person.

SECTION 7.4 Advance Payment of Expenses.

(a) With respect to any claim for which indemnification is mandatory under Section 7.1 or permissible under Section 7.2 above, all expenses reasonably incurred by any existing or

former director or officer in connection with such claim may, in the discretion of the Board be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding in which such claim is asserted or threatened.

(b) Notwithstanding paragraph (a) of this Section, no advance payment of expenses shall be made hereunder unless the Corporation shall be in receipt of:

- (i) A written undertaking by or on behalf of the indemnified person to repay that amount if such person is finally adjudicated not to be entitled to indemnification by the Corporation; and
- (ii) A written affirmation by the indemnified person that he or she (a) acted honestly and in the reasonable belief that his or her action was in or not opposed to the best interests of the Corporation or its shareholders (or, in the case of a person serving as a fiduciary of an employee benefit plan or trust, in or not opposed to the best interests of that plan or trust or its participants or beneficiaries) and (b) with respect to any criminal action or proceeding, that he or she did not have reasonable cause to believe that his or her conduct was unlawful.

The undertaking required by clause (i) of this paragraph (c) shall be an unlimited general obligation of the person seeking the advance, but (except to the extent otherwise provided by the Board pursuant to paragraph (b) of this Section) shall not be secured and shall be accepted without reference to financial ability to make the repayment.

SECTION 7.5 Nonexclusive Remedy; Benefit. The rights provided by this Article shall not be deemed exclusive of any other right of indemnification or payment provided by contract, the Certificate, vote of shareholders or directors, or otherwise. Any right of indemnity or payment arising under this Article shall continue as to a person who has ceased to hold the office or position in which such right arose; shall inure to the benefit of his or her heirs, executors, and administrators; and shall survive any subsequent amendment of this Article.

SECTION 7.6 Insurance. The Corporation may purchase and maintain insurance on behalf of itself and any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, trustee, partner, manager, fiduciary, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, pension or other employee benefit plan, or other enterprise, against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the Corporation Act.

ARTICLE VIII

CONFLICT OR DUALITY OF INTEREST

SECTION 8.1 Statement of Potential Conflicts. Prior to taking his or her position on the Board

of Directors, and annually thereafter, each director shall submit in writing to the Chairperson a list of all businesses and other organizations of which he or she is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), a shareholder, employee or agent with which the Corporation has, or might be expected to have, a relationship or a transaction in which the director might have a conflicting interest. Each written statement will be resubmitted with any necessary changes annually. The Chairperson and the Board of Directors shall become familiar with the statements of all directors in order to guide the conduct of the Board of Directors should such a conflict arise.

SECTION 8.2 Approval of Services from Directors. While serving on the Board, and in the absence of express Board approval, a director may not in his/her individual capacity provide services directly to or on behalf of the Corporation.

SECTION 8.3 Effect of Conflict. The directors of the Corporation may be interested, directly or indirectly, in any contract, transaction or act relating to or incidental to the operations conducted by the Corporation, and may freely make contracts, enter into transactions, or otherwise act for or on behalf of the Corporation in such matters; provided that (i) the direct or indirect interest of the director in the proposed contract, transaction or act shall first be disclosed to and approved by the Board of Directors, (ii) any director directly or indirectly interested in the contract, transaction or act shall refrain from participating in the selection, awarding or administering of their own contract, and (iii) no contract, transaction or act shall be entered into or taken on behalf of the Corporation if such contract, transaction or act would jeopardize the Corporation's tax-exempt status under Section 501(c)(6) of the Code. An interested director, however, may be counted in determining the presence of a quorum at the meeting if the Board proceeds in authorizing, approving or ratifying a transaction consistent with the requirements specified herein.

ARTICLE IX

CONTRACTS, BANK ACCOUNTS, ETC.

SECTION 9.1 Execution of Documents. Except as limited by law, the Certificate, or these Bylaws, and unless otherwise expressly provided by any resolution of the Board, the Chairperson and one additional director as identified by the Board, and any one of them, shall have authority to execute and deliver, in the name and on behalf of the Corporation, any contract, bill, note, check, deed, mortgage, bill of sale, or other instrument.

SECTION 9.2 Bank Accounts. Unless otherwise expressly provided by any resolution of the Board, the Chairperson or Treasurer, acting singly, may open, close, and maintain deposit, checking, money market, and similar accounts with banks, trust companies, and other depositories in the name of the Corporation and may purchase and sell certificates of deposit and similar instruments on behalf of the Corporation. The Board may make such special rules and regulations with respect to such activities as it deems expedient.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.1 Fiscal Year. The fiscal year of the Corporation shall end on December 31 of each year, except as otherwise fixed by resolution of the Board.

SECTION 10.2 Corporate Seal. The Corporation may have a seal in such form as the Board or the registered agent may approve. Whenever it is inconvenient to use the corporate seal, a facsimile thereof may be used. The registered agent and any officer of the Corporation shall have authority to affix the corporate seal, and it may be attested by his or her signature.

SECTION 10.3 Facsimile and Electronic Signatures. Facsimile and electronic signatures of any officer of the Corporation may be used whenever authorized by the Board or Chairperson. The Corporation may rely upon the facsimile or electronic signature of any person if delivered by or on behalf of such person in a manner evidencing an intention to permit such reliance.

SECTION 10.4 Amendment of Bylaws. Except as the Certificate otherwise provides, these Bylaws may be amended or repealed, and new Bylaws may be adopted, by the affirmative vote of a majority of all Members entitled to vote. For any member meeting at which Bylaws are to be adopted, amended, or repealed, specific notice of such proposed action shall be given, either setting out the text of the proposed new or amended Bylaw or Bylaw to be repealed, or summarizing the changes to be effected by such adoption, amendment, or repeal.

SECTION 10.5 Interpretation. Headings and captions used herein are inserted for convenience only and shall not be used to construe the scope or content of any provision. Whenever used herein, the masculine gender shall include the feminine and neuter genders, as the context requires. In the case of any conflict between the provisions of the Certificate and these Bylaws, the Certificate shall control. In the case of any ambiguity or other question concerning interpretation of these Bylaws, the good faith interpretation of the Members, acting by the affirmative vote of a majority of the eligible voting Members, shall be binding on the Corporation for all purposes.

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