

**Proposed Bylaws
of the
Virginia Alpaca Owners & Breeders Association**

ARTICLE 1
Transition

1.1 Replacement. These Bylaws represent an amendment of the existing Bylaws in their entirety. They take effect immediately upon approval by the existing membership as required by law. Although Article 12 of the previous Bylaws allowed amendment at the Annual Meeting, these Bylaws were approved, in person and by mail, by vote of all members entitled to vote at a duly noticed special meeting called for that purpose, as permitted by the Virginia Nonstock Corporation Act.

1.2 Members. Existing members previously paid for a membership year June 2017-June 2018. Membership is now calculated on a calendar year basis. Dues previously paid shall be prorated as paid for one-half of 2018, so long as the remainder of 2018 dues are paid as noticed by the Secretary as soon as practicable after adoption of these Bylaws. Only members paying dues as specified by the Secretary are considered Members in Good Standing.

1.3 Officers. All existing Officers shall serve until the next Annual General Meeting of the Association electing Directors.

1.4 Directors. At the Annual General Meeting of the Association held in 2018, all Directors elected or appointed under the previous Bylaws shall be replaced by new Directors nominated and elected pursuant to these new Bylaws for such staggered terms as follows:

2018

Directors A, B, & C (received the three highest voting totals) –three-year initial term.

Directors D & E (received the fourth and fifth highest voting totals) – two-year initial term.

Directors F & G (received the sixth and seventh highest voting total) – one-year initial term.

(all ties to be determined by coin-toss)

Thereafter

Every year thereafter, elections shall replace Directors whose terms have expired, and all such elections shall conform to these Bylaws.

1.5 2018 Annual General Meeting. The 2018 Annual General Meeting referred to in paragraph 1.4 shall be held in June 2018 at a time and place established by the Directors. Notice of the Meeting shall conform to the provisions of Article V,

paragraph 5.3, and the conduct of the agenda shall follow paragraphs 5.4 (Quorum), 5.5 (Mail or Electronic Balloting), and 5.6 (Proxy Voting). Insofar as practicable, the provisions of new Article VII regarding the nomination and election procedures for Directors shall be followed for the 2018 election.

- 1.6 Temporary Character. This Article I is strictly temporary, to enable a smooth legal transition to the new Bylaws and to provide for staggered Director terms. The pro-rata dues provision of paragraph 1.2, the group resignation and re-election of Officers under paragraph 1.3, the election of all Directors under paragraph 1.4, and the 2018 Annual General Meeting set under paragraph 1.5 are all one-time, unique events concerning activity that will in the future be governed by the remaining Articles of these Bylaws.

ARTICLE II *Purposes & Status*

- 2.1 Purpose. This Association has been established to assist its membership in the promotion of the alpaca breed, alpaca ownership and care, and the alpaca industry generally. The Association is a member-based organization that collects membership dues and operates events and provides services that bring in revenues and in return delivers events and services to add value for said membership. The Association's mission is to serve all its Members in facilitating their goals within the alpaca industry and to increase voting Members to include participation by all or nearly all those engaged in the alpaca industry in Virginia.
- 2.2 Tax-Exempt Status. The Association shall be operated exclusively for non-profit purposes within the meaning of Section 501(c)(5) of the Internal Revenue Code of 1986, as amended (hereafter referred to as "Code"). In furtherance of these purposes, the Association 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 Commonwealth of Virginia and within the United States. The Association shall not issue shares of stock nor pay any dividends. This Association is not organized, and shall not be operated, for pecuniary gain or profit. No part of the property or the net earnings of the Association shall inure to the benefit of or be distributed to any of its Directors, Officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth herein, including reasonable compensation to its Members, Directors, or Officers for services rendered. The Association 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 Bylaws, the Association shall not carry on any other activities not permitted to be carried on by 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 make any corporate contributions which are deductible under Section 170(c)(2) of the Code (or the corresponding provision of any future U.S. Internal Revenue Law).

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

ARTICLE III

Name & Offices & Fiscal Year

Note 3: The provision for a possible office outside Virginia is purely keeping the door open to some possibility in the future and not meant to suggest any current contemplation. The fiscal year was a directive from the Board, presumably better to deal with receipts and expenditures on a reporting basis. If it turns out that the fiscal year should be the calendar year, we can always amend later.

- 3.1 Name. The name of this Association shall be the Virginia Alpaca Owners & Breeders Association, also known by its acronym “VAOBA.”
- 3.2 Offices. The Association shall maintain continuously a registered office and a registered agent as required by the Virginia Nonstock Corporation Act and may change its registered office or agent only in strict conformity with such Act. The Association may also have offices at such other places, within or outside Virginia, as the Board of Directors may from time to time determine what the business of the Association shall require. The principal executive office is to be designated in the most recent annual report filed pursuant to the Virginia Nonstock Corporation Act.
- 3.3 Fiscal Year. The fiscal year of the Association shall be July 1 to June 30 of any two calendar years.

ARTICLE IV

Membership

Note 4: In keeping with its name – VAOBA – and core mission, a majority of the committee felt strongly that only alpaca owners should represent the core voting membership. Ownership is an important investment and commitment, and VAOBA should represent first and foremost “owners and breeders.” Particularly problematic were some instances in the recent past when Board members brought in “friends” to vote simply by paying dues before the meeting. Our 501(c)(5) status also depends upon membership focus.

- 4.1 Voting Members. Voting Members shall be either a Virginia resident who owns alpaca or a person who owns a farm in Virginia and alpaca that live on such farm. Membership shall be approved by the Secretary of the Association upon submission of an application in the form and manner specified by the Board of Directors and accompanied by the full year’s annual dues in the year submitted. Memberships are not transferable.
- 4.2 Dues. The annual dues shall be set by the Board of Directors each year. The dues notice for each year shall be sent to all existing voting Members in December of the preceding year. If authorized by the Board of Directors, the Secretary may supply prospective dues notices to any parties who have expressed an interest in the Association or whom the Board of Directors has indicated might be so interested. Those who pay dues by January 31, will be considered Members in Good Standing. Only Members in Good Standing may vote. Members paying dues after the deadline of January 31, specified in the dues notice, shall henceforward be considered Members in Good Standing as of the date of payment receipt.
- 4.3 Honorary Memberships. The Board of Directors may, in its discretion, admit individuals or establish honorary classes of membership for individuals who have an interest in alpaca welfare or the alpaca industry, including out-of-state residents, vendors, or veterinarians. Such members shall have no voting authority but may attend Association meetings and participate in discussions and education therein.

ARTICLE V

Meetings of Members

- 5.1 Annual General Meeting. There should be an Annual General Meeting of the membership each year called by the Board of Directors. Annual General Meetings, for the purpose of electing Directors and transacting such other business as may be brought before the meeting and included in the notice of said meeting (described below). In a given year the Directors shall call an Annual General Meeting no earlier than ten months from the prior Annual General Meeting but no later than twelve months from said prior Meeting.

- 5.2 Special Meetings. The Board of Directors by a majority vote of all Directors or by a petition of voting Members representing at least one-fifth of the voting Members may call for a Special Meeting of the Members to transact such business as may properly come before them. There is no yearly limit on the number of Special Meetings that may be called.
- 5.3 Notice of Meeting. Notice of the date, time, and place of any meeting of the membership shall be delivered to each Member not less than fourteen days before the date of a Special Meeting and twenty-one days before the date of the Annual General Meeting. The notice shall state the purpose of the meeting, and no matter not specifically noticed may be addressed at said meeting, except that notice of the Annual General Meeting may specify general categories such as “new business.” The purpose of the Annual General Meeting is to facilitate the purposes of the Association, to encourage the broadest possible interaction among Members and between Members and Officers and Directors, and the noticed agenda shall reflect that goal. A petition by Members for a Special Meeting shall comply with this notice provision. All notices must be in written form and may be delivered personally, by mail, or electronic transmission as provided for by the Virginia Nonstock Corporation Act.
- 5.4 Quorum. Thirty percent of all existing voting Members participating at any duly noticed meeting shall constitute a quorum at such meeting. For purposes of establishing a quorum, any mail ballot allowed and received by said meeting, shall count to determine a quorum. If a quorum is not present, a majority of the members actually present may adjourn the meeting (once) to a time certain without further notice to enable a quorum to be established.
- 5.5 Mail or Electronic Balloting. If a matter on the noticed agenda of any meeting is identified with specificity and is to be submitted to Members for a definitive vote (“yes” or “no,” “approved” or “not approved,” or “x” versus “y”), a Member may vote by mailing a ballot enclosed with the notice of the meeting to the Secretary or other designated person. A vote must be received at the time of the commencement of the meeting to count. A ballot shall be considered mailed if transmitted by electronic means as permitted by the Virginia Nonstock Corporation Act.
- 5.6 Proxy Voting. A Member entitled to vote may vote personally (in person, by email, or electronic transmission) or by written proxy given to another voting Member containing the signature of the Member granting the proxy.

ARTICLE VI
Board of Directors

Note 6: Director terms have been increased to three years to provide increased continuity, with a possible second term, but the interval between a second term and another term increased to two years to promote wider participation in governance. The desire for wider participation must always be tempered by the practicality that finding people who want to serve is not always easy.

- 6.1 General Authority. The property, affairs and business of the Association shall be managed and directed by its Board of Directors, which has such general powers and emergency powers as permitted by the Virginia Nonstock Corporation Act. The Board of Directors shall set policy, elect or appoint Officers, and perform all duties set forth in these Bylaws. The Board of Directors may, at their sole discretion, adopt the findings of any duly constituted committee or outside consultants. The position of a Director who does not maintain the status of a Member in Good Standing will automatically be considered vacant and filled as set forth in these Bylaws. Any action, meeting, correspondence, or other event performed by any Member for, on behalf of, or as a representative of, the Association will be undertaken only following Board approval.
- 6.2 Number, Election, and Term. The Board of Directors shall consist of seven voting Members. Directors shall be elected each year to fill expiring terms and shall serve three-year terms of office, with the term of each Director commencing upon the adjournment of the Annual General Meeting at which such Director is elected. All expired terms shall be filled by election at the Annual General Meeting of the membership. The terms are designed for staggered election, with two director terms expiring each year, except that every third year three director positions become vacant. A Director shall be eligible for reelection for one additional term, after which there must be at least a two-year interval before that person may run for election again. Any appointments to fill vacancies must also follow this restriction. Only Members in Good standing may run for Director. The nomination and election procedures for the Board of Directors is provided below in Article VII.
- 6.3 Vacancies. Any vacancy occurring in any director position shall be filled immediately by the vote of a majority of the remaining Directors. A Director so appointed to fill a vacancy shall serve until a special election is held to allow the membership to vote on a new Director, who shall, in any event, complete the term of his or her predecessor.
- 6.4 Meetings. The first meeting of a new Board of Directors after election shall occur at the conclusion of the Annual General Meeting of the Members. No notice beyond this Bylaw is required. The Board of Directors may by resolution provide for other regular meetings, and no further notice of such regular meetings need be given. Special meeting of the Board of Directors may be called by the President. Effective notice of the time and place of such meeting shall be given to each Director at least

five days prior to the meeting. Any Director may execute a waiver of notice either before or after any special meeting, and notice shall be deemed waived if the Director is present at the meeting unless solely to protest lack of notice. The business of the special meeting need not be stated in the notice or waiver of notice of such meeting. All meetings except the first after the Annual General Meeting may be held on a telephone conference call.

- 6.5 Quorum. At all meetings of the Board of Directors, a majority of all Directors at any given time shall constitute a quorum for the transaction of business.
- 6.6 Compensation. 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 the Association.
- 6.7 Removal. A Director may be removed only by i) the unanimous vote of remaining directors for unexcused inattendance of meetings or for cause, followed by ii) the Board of Directors thereafter calling a special meeting of Members to participate in a vote to remove said Director by majority vote of all existing Members. If a vacancy is created thereby, it must be filled by a special election of Members established by the Board of Directors.

ARTICLE VII

Nomination and Election Procedures for Board of Directors

- 7.1 Nomination and Election Committee. The Board of Directors shall provide for the appointment of Members, none whom shall be a Director, except for a Director who is not running for re-election, to constitute a Nomination and Election Committee. This Committee shall actively recruit and nominate candidates for election as Directors for the ensuing terms. The Secretary shall prepare the ballots and mail them to all Members entitled to vote thirty days prior to the Annual General Meeting. The ballot may be accompanied by a statement of each nominee supporting his or her election.
- 7.2 Write-in Vote. Each ballot for Director shall have a write-in line for each open Director. Members may thereby nominate and vote for choices not provided by the Nomination and Election Committee.
- 7.3 Voting Procedure. Each Member entitle to vote shall exercise his or her right to vote by personal delivery prior to the start of the Annual General Meeting or mailing the ballot to the Inspector of Elections. No ballot by mail shall be counted unless postmarked by the date set by the Nomination and Election Committee, which date will be indicated on the ballot. Procedures for balloting by mail shall be established

to assure the confidentiality of each Member's vote. Ballots may not be opened or counted until the day of the Annual General Meeting.

- 7.4 Election. The Nomination and Election Committee will complete the election and announce the results as soon as practical after the election but prior to the conclusion of the Annual General Meeting of the membership. All ties shall be determined by a coin toss.

ARTICLE VIII

Officers

Note 8: The big change is to the new regime: members elect directors, directors elect (appoint) officers. Simple representative democracy. Far more efficient and less "political" than prior structure. The Board controls the business of VAOBA and is answerable to its members. The Officers answer to the Board.

- 8.1 Officers. The Officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer. The Officers of the Association shall be elected by a majority vote of the entire Board of Directors. All Officers are elected for a one-year term at the Board of Directors meeting immediately following the Annual General Meeting of Members. No offices may be held concurrently by the same Director with the exception of the offices of Secretary and Treasurer. So long as a Director remains on the Board of Directors, he or she may serve as an Officer, renewable without limit.
- 8.2 Compensation. The Officers of the Association shall not be entitled to any compensation except by resolution of the Board of Directors for any reasonable expenses incurred on behalf of the Association.
- 8.3 Removal or Vacancy. Any Officer may be removed by a majority vote of the Board of Directors whenever in its judgment the best interest of the Association will be served thereby. A vacancy in any office resulting from any cause must be filled as soon as practicable by appointment of the Board of Directors, by majority vote of all existing Directors, for the remaining portion of the term.
- 8.4 Powers and Duties. President: The President shall serve as Chair of the Board and chief executive officer for the Association. The President shall make an annual report on the affairs of the fiscal status of the Association at its Annual General Meeting. The President shall approve all disbursement of Association funds and may delegate to the Treasurer discretionary authority to disburse amounts up to \$500.00. The Board itself may direct disbursements, and the President's duties in this regard are limited to ensuring the Board's decision. The President shall possess broad discretionary and delegatory powers to act as deemed necessary and proper to carry out the business of the Association. The President shall preside at all meetings of the

Association. Procedures of meetings shall be governed generally by “Roberts Rules of Order,” reasonably interpreted for a small organization. Copies of any presidential correspondence shall be provided to the Secretary for the official file of the Association.

Vice-President: The Vice President shall act in the capacity of the President at the President’s bidding or in the absence of the President. The Vice President shall ensure compliance with the requirements of a registered office or agent and execute the annual report in compliance with the Virginia Nonstock Corporation Act.

Secretary: In addition to such duties as already specified in these Bylaws, the Secretary shall keep the official list of all Members of the Association (including all addresses of record) and issue correspondence as directed by the Directors, the President, or the Membership. The Secretary shall record the minutes of each meeting of the Association and maintain the official file of correspondence and minutes. Certificates of Membership shall be issued by the Secretary.

Treasurer: The Treasurer shall collect all monies due the Association and maintain all records of receipts and disbursements. The Treasurer shall maintain a list of Members in Good Standing. The Treasurer shall send bills to all Members of the Association 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 after close of the fiscal year and at such other 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 by an independent accountant, if an audit is mandated by the Board or by the membership.

ARTICLE IX *Committees*

Note 9: No comment deemed necessary.

9.1 Composition. The Board of Directors, by resolution adopted by a majority of all the Directors, may designate from among the Members one or more standing or special committees, any of which may contain one or more Directors. Any action, meeting, correspondence, or other event performed by any committee member for, or behalf of, or as a representative of the Association, must have majority Board approval. Any such committee, to the extent provided in the resolution, shall provide recommendations for action to be voted upon by the Board of Directors. Except as otherwise provided in such resolution, members of each committee shall be Members of the Association and shall be appointed by the Board of Directors. Any members thereof may be removed by the Board at will. The designation and appointment of any such committee and 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.

- 9.2 Chairperson: One member of each committee shall be appointed Chair by vote of the committee.
- 9.3 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for in the original appointments.
- 9.4 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 X

Books, Records, and Budgets

Note 10: No comment deemed necessary.

- 10.1 Records and Right of Inspection. The Association shall keep 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 address of the Members entitled to vote. All books and records of the Association may be inspected by any Member, or his or her agent or attorney, for any purpose at any reasonable time, upon reasonable notice. The possibility of an independent audit is provided in Article VIII, Section 8.4.
- 10.2 Budget. The Board of Directors shall cause to be created a responsible Annual Budget for the operation of the Association, which shall be submitted to the Members of the Annual General Meeting of the membership for their approval.

ARTICLE XI

Indemnification

Note 11: No comment deemed necessary.

The Association shall indemnify, to the fullest extent permitted by Virginia law, and if applicable, Section 4941 of the Code, any person made a party to proceeding because such person is or was a Director of the Association, against liability incurred in the proceeding, if such person acted in a manner he or she believed in good faith to be, or not opposed to, the best interest of the Association and, in the case of any criminal proceeding, such person had no reasonable cause to believe his or her conduct was unlawful.

ARTICLE XII
Amendments

Note 12: No comment deemed necessary.

Amendments to the Bylaws may be proposed by a petition signed by twenty percent of the Members in Good Standing of the Association or by the majority vote of the entire Board of Directors. Any proposed amendment of the Bylaws shall be submitted to or voted by the Board of Directors not less than sixty days before the Annual General Meeting of the membership. These amendments may then be adopted by a two-thirds affirmative vote, including votes cast by mail, of all Members entitled to vote at the Annual General 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 above in Article V. A copy of any proposed amendment of the Bylaws, including any recommendations which the Board of Directors may wish to make regarding the amendment, shall accompany the notice of the meeting.