

**BY-LAWS OF
MARYLAND ALPACA BREEDERS ASSOCIATION, INC.**

Revised 11/19/05
Approved by Membership 1/8/06

**Article I
OFFICES**

Section 1.1 Registered Office and Agent

The registered office of the Maryland Alpaca Breeders Association (the "Association") shall be in state of Maryland and the Association shall at all times maintain a registered agent at the address of the registered office.

Section 1.2 Other Offices

The Association may also have offices at such other places both within and without the State of Maryland as the Board of Directors may from time to time determine and the business of the Association may require or make desirable.

**Article II
NONPROFIT STATUS**

Section 2.1 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 (the 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 United States and to facilitate communication among Alpaca owners.

Section 2.2 Maintenance of Nonprofit Status

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. 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 By-laws, the Association 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 2.3 Payment of Liabilities and Distribution of Assets Upon Dissolution

Upon Dissolution of the Association, which may be authorized by the adoption of a resolution to dissolve by majority 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 shall be selected by the Board of Directors of the Association: provided, however, that any such recipient organization of 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 the Association the Board of Directors shall fail to act in a manner herein provided within a reasonable period of time, a judge of Frederick County 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
MEMBERSHIP**

Section 3.1 Membership

Any person interested in the purpose of the Association may become a Member. Membership shall be granted upon written application submitted in the form and manner specified by the Secretary of the Association and the Board of Directors and accompanied by the annual dues.

Section 3.2 Dues

The Board of Directors shall set the annual dues.

Section 3.3 Membership Classes

The classes of Membership shall be set and recognized by the Board of Directors with the approval of the Association members. The Board of Directors may set different privileges for each class.

Section 3.4 Voting Rights

Each full Membership shall be entitled to one vote on all matters submitted to a vote of the Membership.

Article IV
MEETINGS OF MEMBERS

Section 4.1 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.

Section 4.2 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-fifth (1/5) of the members having voting rights.

Section 4.3 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 fourteen (14) days before the date of the meeting. The notice shall state the purpose of the meeting.

Section 4.4 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 and/or fax ballots duly certified shall be considered as if the Membership 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 4.5 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 or faxing the ballot enclosed with the notice of the meeting to the Secretary or other designated person. No mail or fax vote shall be counted unless postmarked for mail and time/date stamped for fax by a date set by the Board of Directors, which date shall be indicated on the ballot. The ballots shall not be counted before the meeting, except to determine quorum. A majority of the Members present or voting by mail or fax 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 V
BOARD OF DIRECTORS

Section 5.1 General Powers

The property, affairs and business of the Association shall be managed and directed by its Board of Directors. The Board of Directors shall set policy, appoint Officers of newly elected Board Members, appoint Officers not elected by the Membership (see section 5.3), and perform duties as set forth in the By-Laws. The Board of Directors may, at their sole discretion, adopt the findings of any duly constituted committee or outside consultants. Members must be in good standing of the Association.

Section 5.2 Number, Election and Term

The initial Directors to serve until the completion of the organization of the Association, at an organizational meeting or by action taken by written consent in lieu of an organizational meeting, shall be named by the incorporator. After such completion, the Board of Directors shall be comprised of no less than five (5) members. The Board of Directors may by resolution fix the precise number of members but any reduction in the number of members in the Board of Directors shall take effect only at the expiration of the term of office of the members whose offices are to be eliminated or upon their earlier resignation. 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.

All expired terms shall be filled by election no later than December 15th and announced at the Annual Meeting of the Membership. A Director shall be eligible for re-election to succeed himself or herself. All members of the Board of Directors shall be elected pursuant to Article VIII. Directors may serve for an unlimited number of terms. The Board of Directors shall be elected by a majority vote of the Membership who shall have voting rights, as defined in Article III. Officer positions on the Board of Directors shall consist of a President, Vice President, Secretary, Treasurer and at least one (1) Member-at-Large. No offices may be held concurrently by the same Member of the Board of Directors with the exception of the offices of Secretary and Treasurer.

The newly elected Board of Directors shall decide at their first meeting, prior to the Annual Meeting, which members shall occupy each Officer position, and which members shall serve either one (1) year or two (2) year terms to maintain continuity. Each Officer shall serve for the designated one or two year term or until his or her successor shall have been chosen and qualified, or until death, resignation or removal from office.

Section 5.3 Vacancies

The remaining Officers of the Board of Directors shall fill any vacancy occurring in any Directorship, even though less than a Quorum of the Board of Directors is remaining in office. Candidates to fill the vacancy must be selected from the latest active membership list as maintained by the Secretary. 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 5.4 Location and Conduct of Meetings and Minutes

The Board of Directors of the Association may hold meetings, both regular and special, either within or outside the State of Maryland. The minutes of any meeting shall be taken by the Secretary and be available to the Membership. "Roberts Rules of Order" shall govern procedures of meetings.

Section 5.5 Annual, Regular, or Special Meetings

The Annual Meetings of the Membership, for the purpose of introducing the newly-elected members of the Board of Directors, and transacting such other business as may be brought before the meeting, shall be held each year without notice on the 2nd Sunday in January. The Board of Directors may by resolution provide for the time and place of other regular meetings, and notice of the time and place of such meetings shall be given to each member by first class mail, in person, telephone contact, posted on the official organization web site, or via e-mail at least fourteen (14) days before the meeting. The President may call Special Meetings of the Board of Directors. Notice of the time and place of such meetings shall be given to each member of the Board of Directors by first class mail, in person, telephone contact, or via e-mail 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 of waiver or notice of such meeting.

Section 5.6 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. 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, by the Articles of Incorporation, or by these By-laws.

Section 5.7 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 on the Board of Directors.

Section 5.8 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 the Association, 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.

Section 5.9 Removal

All Officers 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.

Section 5.10 Powers and Duties

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

Section 5.11 Correspondence

Copies of any correspondence related to business and voting activities of the Association and sent to any member of the Board of Directors, other than monthly bank statements, which are the responsibility of the Treasurer, shall be provided to the Secretary for the official file of the Association.

Article VI
DUTIES OF OFFICERS

Section 6.1 President

The President shall serve as chief administrative officer for the Association and serves as Chairperson of the Board of Directors. The President shall make a report on the affairs of the Board and the fiscal status of the Association at the Annual Meeting. The President shall make

all appointments to committees formed at the direction of the Membership or the Board of Directors. The President shall approve all disbursements of Association 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 the Association, as President of the Association. The President shall call for and preside at all meetings of the Association.

Section 6.2 Vice President

Vice President shall act in the capacity of the President at the President's bidding or in case of the absence of the President. The Vice President shall automatically fill in the term of the President, if the latter office becomes vacant. The Vice President shall organize all meetings at the direction of the President. Meeting organization shall include, but not be limited to, coordinating the agenda with the President, scheduling the date, time, and location of the event as well as allowing time for notice to be given to the Membership and Board of Directors. The Vice President shall identify and coordinate the acquisition and maintenance of Liability Insurance for the Board of Directors for the Association.

Section 6.3 Secretary

The Secretary shall keep the official list of all Members of the Association and issue correspondence as directed by the President or on behalf of the membership. The Secretary shall record the minutes of each meeting of the Association and maintain the official file of all the Association correspondence and minutes. The minutes of each meeting shall be made available to the membership via posting on the Association's website within two weeks of each meeting.

Section 6.4 Treasurer

The Treasurer shall collect all monies due the Associations and maintain all records of receipts and disbursements. The Treasurer shall have care of funds of the Association and all funds shall be disbursed only by the Treasurer. 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. The Treasurer shall coordinate and arrange for banking needs with an institution of their choice and with the acceptance of the President. The Treasurer shall reconcile bank statements on a monthly basis. The Treasurer shall coordinate tax preparation and file such taxes as required.

Section 6.5 Member-at-Large

The Member-at-Large represents the general membership of the Association and may be assigned tasks by the President. The Member-At-Large will be the responsible Board of Directors liaison for key committees and will insure issues, proposals, and progress reports are presented to the Board of Directors.

**ARTICLE VII
COMMITTEES**

Section 7.1 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 the Association, and the President shall appoint the members thereof with the approval of the Board of Directors. The President may remove any member of a committee whenever the President, in his/her best judgment, determines that the best interest of the Association 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 7.2 Chairperson

The President shall appoint one member of each committee as Chairperson. The Chairperson is responsible to propose and gain approval by the Board of Directors of committee goals, budgets, and actions. The Chairperson shall set meeting times and dates for the committee and insure meeting minutes are completed within 2 weeks of a committee meeting. The Board of Directors may call upon the Chairperson to attend a Board of Directors Meeting to present committee updates, issues and actions needing approval.

Section 7.3 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 7.4 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 VIII
NOMINATION AND ELECTION PROCEDURES FOR
BOARD OF DIRECTORS AND OFFICERS**

Section 8.1 Nomination Committee

The Board of Directors and President shall provide for the appointment of Members of the Association, none of who shall be a Director, except for a Director that is not running for re-election, to constitute a Nomination Committee. In addition, the Board of Directors shall designate an Inspector of Elections. The Nomination Committee shall actively recruit and Nominate candidates for election as Directors and Officers for the ensuing terms. The Nomination Committee shall recruit and nominate candidates for each vacancy on the Board of Directors.

Section 8.2 Nomination by Petition

Three (3) full 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 prior to the start of the November Board Meeting.

Section 8.3 Ballot

A ballot containing the names of the Nominees shall be prepared and mailed by the Chairperson of the Nominating Committee to each Member of the Association 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 membership immediately after the November Board Meeting.

Section 8.4 Voting Procedure

Each Member entitled to vote shall exercise his or her right to vote by personal delivery, faxing 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. No ballot by fax shall be counted unless time/date stamped by the date set by the Inspector of Elections, which date will be indicated on the ballot. Procedures for balloting by mail and fax shall be established to assure the secrecy of each Member's vote.

Section 8.5 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 IX

BOOKS, RECORDS AND BUDGETS

Section 9.1 Records and Right of Inspection

The Association 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 the Association 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 the Association, 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 the Association 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

The Association shall indemnify, to the fullest extent permitted by the state law, and if applicable, Section 4941 of the Code, any individual made a party to a proceeding because such individual is or was a Director of the Association, 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 the Association 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 the Association 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 and fax, of all Members in good standing and eligible to vote. 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 tendering their vote by mail or fax. Votes cast by mail and/or fax 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.