

BYLAWS OF THE ALPACA BREEDERS OF THE ROCKIES, INC.

(ALSO KNOWN AS THE ALPACA BREEDERS OF COLORADO, INC.)
A COLORADO NON-PROFIT ORGANIZATION

Article I - Name

The name of the organization shall be the Alpaca Breeders of the Rockies, Inc. ("Association").

Article II - Purpose

The purpose of the Association shall be to:

- (1) Promote public awareness of and interest in alpacas and alpaca products;
- (2) Promote the growth and sustainability of the alpaca industry as a whole;
- (3) Serve as an industry and marketing group to promote and protect the collective economic and legal interests of the Association Membership;
- (4) Educate members in the areas of alpaca livestock business and husbandry; and
- (5) Promote ethical conduct in the alpaca industry.

Article III - Membership

Section 1: Definitions. The following terms used in these bylaws shall have the following meanings unless otherwise expressly provided herein;

1.1 "Articles of Incorporation" means the Articles of Incorporation of the Alpaca Breeders of the Rockies, Inc. as filed with the Secretary of State of Colorado as the same may be amended from time to time.

1.2 "Farm/Ranch" means any corporation, limited liability corporation, general or limited partnership, limited liability partnership, sole proprietorship, joint venture, trust, cooperative, or non-profit organization engaged in alpaca husbandry.

1.3 "Member" means any individual, business or Farm/Ranch that makes application to the Association and pays membership dues.

1.4 "Membership" means all the members in the Association.

1.5 "Proxy" means use of a standardized form promulgated by the Association, to be signed by the absent voting member and presented to the Secretary for registration prior to the Call to Order of a Membership meeting.

1.6 "Quarterly Meetings" means those meetings of the Membership held during the 4 (four) consecutive three-month periods of the fiscal year of the Association. The fourth Quarterly Meeting held in November shall also be the Annual Meeting of the Membership.

Section 2: Voting Members. A Farm/Ranch membership in the Association shall be granted upon application to the Association and the payment of membership dues in an amount to be set by the Board of Directors. Each Farm/Ranch Member shall have a single vote in all matters submitted to a vote of the voting Membership. The payment of dues shall entitle a Farm/Ranch Member to attend Association meetings and functions; receive Association newsletters and correspondence; advertise in the Association newsletter at Farm/Ranch Member rates; a Farm/Ranch Member listing in the Association Membership directory and on the Association web site; serve as a volunteer at Association-sponsored events, be eligible for Association discounts, and use prospect lists gathered at Association-sponsored events; and be eligible for election to the Association Board of Directors and/or appointment to the chair of any Association committee.

Section 3: Non-Voting Members. An Associate, Business or Fiber Associate membership in the Association shall be granted upon application to the Association and the payment of membership dues in an amount to be set by the Board of Directors. The payment of dues shall entitle an Associate, Business or Fiber Associate Member to attend Association meetings and functions; receive Association newsletters and correspondence; advertise products, but not breedings or animals, in the Association newsletter at Associate/Business Member/Fiber Associate rates; a listing in the Association Membership directory in the respective category; and serve as a volunteer at Association-sponsored events. Associate, Business or Fiber Associate Members shall not be eligible to vote on any issues before the Association, including the approval of budgets and assessments, nor shall an Associate, Business or Fiber Associate Member be eligible for election to the Board of Directors of the Association or appointment to the chair of any committee.

Section 4: Annual Budget. A proposed annual budget detailing specific line items and sufficient to pay normal operating costs shall be prepared by the Treasurer for presentation and approval by the Board of Directors. The Board shall mail or email the annual budget to the Membership at least thirty (30) days before the fourth Quarterly Meeting. Farm/Ranch Members

may comment on the proposed budget by proxy or in person at the fourth Quarterly Meeting. Following membership comment, the Board of Directors shall approve or amend the annual budget at the December meeting of the Board of Directors.

Section 5: Special Assessments. If a project or a financial occurrence requires an additional assessment, a Special Assessment may be proposed by the Board of Directors and shall be effective only upon a two-thirds (2/3) vote of the Farm/Ranch Members. Once a Special Assessment is approved, the proportionate share of each Farm/Ranch Member shall be due within thirty (30) days from the date of approval.

Section 6: Prorated Membership Dues. Membership dues for new Farm/Ranch, Associate, Business or Fiber Associate members shall be prorated for the balance of that calendar year. Membership dues for new Farm/Ranch, Associate, Business or Fiber Associate members shall be prorated for the balance of that calendar year at the time of their application for the first year of membership dues. A calendar year is defined by the Internal Revenue Service (IRS) as twelve (12) consecutive months beginning January 1 and ending December 31. Membership shall be effective on the first day of the month following application. Membership dues shall then be billed annually on January 1.

Section 7: Overdue Assessments or Dues. Overdue assessments or unpaid membership dues shall result in the suspension of membership within thirty (30) days after notice from the Association.

Article IV - Meetings of Members

Section 1: Quarterly Business Meetings. Four (4) quarterly business meetings of the Association membership shall be held at a location and time as designated by the Board of Directors. The Members shall transact such business as shall properly come before them at the Quarterly Meetings.

Section 2: Special Meetings. In consultation with the Membership, the Board of Directors may schedule such other special meetings from time to time as may seem necessary or desirable. The purpose of any special meeting shall be stated in the notice thereof, and no business shall be transacted there except such as is specified in the notice.

Section 3: Notice of Meetings. Notice of every meeting of the Membership and all matters concerning the Association shall be given in writing, at least

thirty (30) days prior to such meeting, by sending via Email to the last known Email address of the member. Such notice shall state the time and place of any meeting and may state the purpose or purposes of a meeting.

Section 4: Quorum. Fifteen percent (15%) of the Farm/Ranch Members entitled to vote shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation or by these bylaws. If a quorum shall not be present at any meeting, a majority of the Farm/Ranch Members present may adjourn said meeting to a date and time certain without further notice. At the rescheduled adjourned meeting at which a quorum shall be present, any business may be transacted at the meeting as original called.

Section 5: Voting by Proxy. If a matter on the agenda of a Special Meeting shall be submitted to Farm/Ranch Members, and provision made for voting by proxy, Farm/Ranch Members may vote by mailing, faxing or emailing their proxy form to the Secretary or other designated person. A simple majority vote of all votes returned shall be necessary for the adoption of the matter being voted upon unless a greater proportion is required by statute or these bylaws. No vote shall be counted unless received by the date set by the Board of Directors, which date shall be indicated on said ballot.

Article V - Board of Directors

Section 1: Nomination of Directors. The affairs of the Association shall be managed by the Board of Directors whose members must be Farm/Ranch Members in good fiscal standing of the Association.

Any Farm/Ranch Member is eligible for nomination for any vacancy on the Board of Directors unless otherwise prevented by these Bylaws.

The Immediate Past President, if available to serve, shall chair the Nominating Committee. If the Immediate Past President is unable to chair the committee, the Current Vice President will either chair the committee or will appoint a chairperson. If the Current Vice President or the appointed chairperson does not abide by the nomination timeline outlined in the By-Laws, it is the responsibility of the Current Board of Directors to step in to meet the timeline. The Nominating Committee shall consist of a Chair and up to four (4) Farm/Ranch Members appointed by the President no later than sixty (60) days prior to the third Quarterly Meeting of each year. Said committee shall solicit and present any and all nominees for each

position to be vacated to the Board of Directors no later than sixty (60) days before the fourth Quarterly Meeting. In the event that at least two nominees are not available, a write in selection shall be available. In the event that no nominees are submitted for any one position in an election cycle, the seated Director, if willing, shall be presented as a nominee for an additional term. The nominees and their records of past Association activity shall be announced to the Membership no later than forty-five (45) days before the fourth Quarterly Meeting. Members of the Nominating Committee shall not run for any office during their period of appointment.

Section 2: Election of Directors. There shall be nine (9) directors elected to the Board of Directors. The Secretary shall provide a ballot with the election slate for whatever vacancies may exist on the Board of Directors to the Farm/Ranch Members at least forty-five (45) days before the fourth Quarterly Meeting. No vote shall be counted unless postmarked or received at least fifteen (15) days before the fourth Quarterly Meeting, which date shall be indicated on said ballot. The Board of Directors shall select an independent auditor to collect and tally the ballots. The Secretary shall report to the Membership the results of all votes duly received.

Section 3: Term of the Directors. All directors shall be elected to serve a two (2) year term. The President, Treasurer and two (2) Directors-at-Large shall be elected in even-numbered years; and the Vice-President, Secretary and three (3) Directors-at-Large shall be elected in odd-numbered years. Directors shall assume office on January 1 of the year following their election.

All Directors may only serve three (3) consecutive two (2) year terms. Directors may run again for open board positions one calendar year after the end of their term. Any Director position that has no candidates during an election year shall be filled by appointment of the Board of Directors. This appointment may include otherwise term-limited Directors.

The term of any Director whose absence from two (2) meetings of the Board of Directors is unexcused shall be terminated by majority vote of the Board of Directors. An excused absence must be accepted and approved by the President and duly noted in the minutes of a meeting of the Board of Directors.

Section 4: Vacancies. Any vacancies occurring on the Board of Directors resulting from any cause other than the expiration of the term office shall be filled by temporary appointment by the Board of Directors. The

Farm/Ranch Member appointed to fill the vacated office shall serve the remainder of the original term. When filling a vacancy, the remainder of the term that the appointed Director is filling is considered the first term. Should they wish to do so, the Director will be able to run only for two additional terms.

Section 5: Duties and Responsibilities. The control, direction, and management of the affairs and property of the Association shall be vested in the Board of Directors. It shall have the power to carry out the purposes of this Association as specified in the Articles of Incorporation, in these bylaws, and by statute; provided, however, that no part of the net earnings of this Association shall inure to the benefit of any member of the Board of Directors.

Article VI - Meetings of the Directors

Meetings of the Board of Directors may be called at the request of any five (5) Directors. Meetings by means of telephone conference are acceptable. Minutes of any meeting shall be taken by the Secretary and be made available to the Membership. Each Director shall have an equal vote on all matters and a vote of five (5) Directors shall authorize an act of the Board of Directors. Voting on motions by mail, facsimile, or email shall be permitted with the resulting action to be incorporated into the Minutes of the next regular meeting of the Board of Directors.

Article VII - Officers

Section 1: Officers. The officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer. Any candidate for the position of President shall have previously served a minimum one (1) year term on the Board of Directors or, within the last 5 years, served a minimum one (1) year term as a Chair of a Committee.

Section 2: President. The President shall, subject to the direction and supervision of the Board of Directors, be the Chief Executive Officer of the Association and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees, and shall conduct all meetings of the Board of Directors.

The President shall have the power to execute and deliver on behalf of and in the name of the Association any instrument requiring the signature of an officer of the Association. Unless authorized to do so by these bylaws or by

the Board of Directors or Membership, no officer, agent or employee shall have any power or authority to bind the Association in any way, to pledge its credit or to render it liable for any purpose or in any amount. The President shall serve a two (2) year term.

Section 3: Vice President. In the absence of the President or in the event of his or her inability to act, the Vice President shall perform the duties of the President, and when so acting, shall have all powers of and be subject to all the restrictions upon the President. The Vice President shall serve a two (2) year term.

Section 4: Secretary. The Secretary shall keep the minutes of any meetings of the Membership or the Board of Directors, act as the custodian of any Association books and records, conduct necessary legal and other correspondence of the Association, serve all notices of the Association required by law and these bylaws, maintain a record of the names and addresses of all Members, and perform such other duties as may be delegated by the President or Board of Directors.

In the event that the Secretary shall be unable, refuse or neglect to serve such notices or prepare such papers, any Director designated by the President may serve such notices or prepare such papers. The Secretary shall make all reports required by law and shall perform such other duties as may be required by the Board. The Secretary shall serve a two (2) year term.

Section 5: Treasurer. The Treasurer shall maintain one or more bank accounts in the name of the Association; pay such bills and other indebtedness as the Board of Directors may authorize as approved in the annual budget or by special action; keep complete books and records of account; prepare and file all local, state and federal tax returns; prepare, or cause to be prepared, and present an annual budget pursuant to Article III, Section 4, and prepare and furnish to the Membership annual statements of account showing the financial position of the Association and the results of its operations. The Treasurer shall serve a two (2) year term.

Section 6: Immediate Past President. The Immediate Past President, if available, shall be an ex-officio member of the Board with voice and no vote, unless the Immediate Past President is a duly elected director, in which case, he or she shall exercise all the rights and powers of a director. The Immediate Past President shall chair the Nominating Committee, abiding by the guidelines/timelines set by the By-Laws.

Section 7: Committee Appointments. The Board of Directors may designate and appoint one or more committees, which shall consist of at least one (1) Director responsible for the committee function as well as two (2) or more other members and, where appropriate, outside consultants. These committees, to the extent provided in said resolution, shall have and exercise authority as specified by the Board of Directors.

Absent approval by a quorum vote of the Farm/Ranch Members, the Board of Directors and/or any other Members serving on any committee or performing any other service for the Association shall not receive any compensation for their services.

Section 8: Vacancies. In the event that the office of President shall become vacant, the successor for the unexpired term shall be the Vice President. In the event that the Vice President is unable to fulfill the duties of President, a new President shall be elected to serve the unexpired term by the Board of Directors from among its own number. In the event that the office of Vice President, Treasurer or Secretary shall become vacant, the President shall appoint a successor from among the directors for the unexpired term, subject to confirmation by the Board of Directors.

Article VIII - Calendar Year

The calendar year of this Association shall begin on January 1 of each year and end on December 31 of the same year. All matters including financial records and terms of representation shall be based on a calendar year.

Article IX - Amendments

Section 1: Bylaw Amendment. These bylaws may be amended or repealed at any regular or special meeting of the Association by a quorum vote of the eligible Farm/Ranch Members who may vote either by proxy or in person. Provision is hereby made for mail balloting on any bylaw amendment proposed by the Board of Directors and submitted to the eligible Farm/Ranch Members. The Board of Directors shall mail or email the basis for a proposed bylaw amendment at least thirty (30) days prior to sending the official ballot. No vote shall be counted unless received by the date indicated on said ballot for the close of voting. The Board of Directors shall select an independent auditor to collect and tally the ballots. The Secretary shall report to the Membership the results of all votes duly received.

Section 2: Articles of Incorporation. The Articles of Incorporation of this Association may be amended at any regular or special meeting of the Association, called for the purpose, by a majority vote of the Farm/Ranch Members present and voting either in person or by proxy; provided however, that no amendment may be adopted in violation of the statutes of the State of Colorado, now in existence or hereafter adopted, relating to requirements for the organization or existence of a non-profit corporation in Colorado.

Article X - Conflicts of Interest

Notification to the Vice President of a probable conflict of interest involving a Director shall result in immediate notification to said Director of probable conflict of interest and a call by the President for a special meeting within twenty (20) days to address said probable conflict of interest. An affirmative 2/3 vote by the whole Board of Directors shall be required to establish probable conflict of interest with an officer or candidate for office of the Board of Directors of the Association. Established conflict of interest involving a director shall result in immediate removal from the Board of Directors and the position, if applicable, being declared vacant.

Article XI- Parliamentary Authority

Roberts Rules of Order shall be followed at all meetings of the Association and its Board of Directors in all cases where they are not inconsistent with these bylaws and any special rules of order the Association may adopt.

Article XII - Miscellaneous Provisions

Section 1: Inspection. All financial records of the Association shall be held by the Treasurer and may be inspected by any Member, or his agent or attorney, for any purpose at any reasonable time.

Section 2: Dissolution. The dissolution of the Association may be authorized at a meeting of the Membership upon the adoption of a resolution to dissolve by majority vote of the Farm/Ranch Members. Upon dissolution, all liabilities and obligations of the Association shall be paid, satisfied and discharged, or adequate provisions shall be made therefore and the remaining assets shall be liquidated and distributed to a non-profit fund, foundation or corporation that is organized and operated exclusively for charitable, scientific or educational purposes and that has established

its tax exempt status under 501(c)(3), (5) or (6) of the Internal Revenue Code. The specific organization(s) shall be chosen by the Board at the time of dissolution.

Section 3: Indemnification. The Association has the power to indemnify current or former directors, officers, employees, and agents, to the greatest extent provided in its Articles of Incorporation and by Colo. Rev. Stat. § 7-3-101.5.