

# BYLAWS OF THE VALAIS BLACKNOSE SHEEP SOCIETY

## ARTICLE I. NAME.

The name of this organization shall be the Valais Blacknose Sheep Society (VBSS).

## ARTICLE II. PURPOSE.

The Valais Blacknose Sheep Society is a nonprofit organization, without capital stock, whose purpose is to foster, promote and develop the Valais Blacknose breed of sheep. It shall keep records of all sheep recorded or registered in or by the Society, issue official papers covering the same and perform any and all functions connected with the registration of Valais Blacknose sheep. Such records shall be permanent in character and at the disposition of the members or contractors of the Society. The Society shall receive and disburse the finances of the organization.

## ARTICLE III. MEMBERSHIP.

### SECTION 1. Rights and Privileges of Membership.

Membership in the Society is and at all times shall be considered to be a privilege and not a right. Active members meeting the general qualification requirement of Section 2 of the Society are entitled to attend, speak, and vote at the membership meetings of the Society. In addition, members in good standing shall be kept informed of the Society's activities, shall be notified of all membership meetings, shall have access to annual reports, flock books and copies of the Bylaws.

### SECTION 2. General Qualifications of a Member.

Any person, family or corporation interested in the promotion of Valais Blacknose sheep may become a member of the VBSS, and as such is entitled to all privileges of full membership except that, in order to be considered eligible for voting, to participate in Society elections and to hold elective office they shall have (1) have paid dues for the current year, (2) have no outstanding financial obligation to the Society more than sixty (60) days past due, (3) currently own Valais Blacknose sheep, (4) have bred and registered Valais Blacknose sheep in the VBSS within the previous two calendar years and (5) not participate in the management of other associations or enterprises so as to be determined by the Board to present a direct conflict of interest with the VBSS. Each owner and registrant eligible for voting per the above shall be represented by but one membership whether such owner and registrant be an individual, partnership, corporation, association or other entity.

### SECTION 3. Junior Membership.

The Board of Directors shall have the authority to establish a separate membership class for junior members with such limitations and qualifications as the Board shall establish from time to time; provided, however the junior member shall have no voting rights.

### SECTION 4. Members That Are Not Individuals.

Any member that is a partnership, corporation, Association, or other entity (i.e. not an individual person) shall designate in writing to the Society the name of the individual who is authorized to sign and vote on behalf of the entity.

### SECTION 5. Voting Rights.

Each member of the Society in good standing and meeting the requirements of Section 2 above, other than Junior members, shall be entitled to one vote on each matter submitted to a vote of the membership. A member may vote either in person or by proxy appointed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid for any voting issue or period except that which it was specifically designated in the proxy. In no case shall a proxy be valid for more than 30 days.

## SECTION 6. Membership Dues and Service Fees.

The Board of Directors may determine from time to time the amount of annual membership dues and the amount of fees for services that shall be payable to the Society. The Board of Directors may also establish the time or times at which membership dues and service fees are due and payable, and procedures for dealing with members and others in default of payment. If a person is in default in the payment of annual membership dues or service fees, the Society may refuse to register any sheep for that person until due and owing membership dues and service fees are paid in full. If not modified by the Board, annual membership shall begin January 1<sup>st</sup> and expire on December 31<sup>st</sup>. of each year. A grace period of 30 days will be in effect, allowing such time for members to send in membership dues.

## SECTION 7. Withdrawals.

Any member may withdraw from membership in the Society by giving written notice of intent to withdraw to the Society at its principal office. Upon receipt of any such notice, the membership of such member shall terminate; provided, however, that after a complaint has been initiated against a member, the right of such member to withdraw from membership shall be suspended until the termination of all proceedings in connection with such complaint, unless the Executive Committee or the Board of Directors otherwise approves.

# ARTICLE IV. MEETINGS OF THE MEMBERSHIP.

## SECTION 1. Annual Meeting.

The annual meeting of the membership shall be held at such time and place as the Board of Directors may designate.

## SECTION 2. Special Meetings.

Special meetings of the members may be held at any time for any purpose or purposes at such designated place. Special meetings may be called by the President or by the Board of Directors or by 25 percent (%) of the membership. The person calling a special meeting shall designate the date, time and place of such meeting and shall give notice at least 14 days prior to and no longer than 30 days prior to the meeting.

## SECTION 3. Notice.

Written notice of all meetings stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) days nor more than thirty (30) days before the date of the meeting, either electronically or by mail, by or at the direction of the President or the persons calling the meeting to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited, in the United States mail, addressed to the member at his address as it appears on the records of the Society with postage thereon prepaid, if electronically such notice shall be deemed delivered when distributed to the email address as it appears on the records of the Society.

## SECTION 4. Waiver of Notice.

Whenever any notice is required to be given under the provisions of these Bylaws, or of any law, a waiver thereof in writing, signed by the person or persons entitled to such notice whether before, at, or after the time stated therein, shall be deemed the equivalent to the giving of such notice. To the extent permitted by law, attendance of a member at any meeting shall constitute a waiver of notice of such meeting.

## SECTION 5. Quorum.

The active members, in good standing, present at any properly called membership meeting shall constitute a quorum. Every decision of a majority of such quorum shall be valid, except in those specific instances in which a larger vote is required by law or by these Bylaws.

## SECTION 6. Meeting Procedures.

All meetings of the membership shall be conducted according to parliamentary procedures as set forth in the latest revision of Robert's Rules of Order except in those specific instances in which alternate procedures are detailed by the law or by the Society procedures or Bylaws.

## SECTION 7. Voting Procedures.

Voting on important issues addressed at membership meetings shall be conducted by mail and/or email ballot. Members may designate whether they would like their ballots mailed or emailed. No more than 10 days after the membership meeting, the Secretary of the Society or person designated by the Society shall send the ballots to each active member in good standing. The ballots shall be returned to the person designated by the Society to conduct the election and postmarked within 15 days of the ballots being sent to the membership in the same manner that they were received by that individual member. All voting members who have submitted an email address to the Society will be notified by email when the ballots are mailed out and when their ballot has been received by the person designated by the Society to conduct the election. Results of the balloting shall be counted by the Secretary of the Association or such other person as designated by the Board and shall be kept in his or her custody and be subject to inspection at reasonable times by any member of the Society. The membership shall be promptly notified of the results of such balloting within 10 days of the close of voting. The act of the majority of those voting shall be considered an act of the membership, except in those specific instances in which a larger vote is required by law or by these Bylaws.

## ARTICLE V. DIRECTORS.

### Section 1. Powers of the Board.

A Board of Directors shall manage the property and affairs of the Society. The Board of Directors derives its powers and authority from the members and its powers and authority is limited by and subject to the will of the members voting in person or by proxy at any annual meeting or special called meeting. Except as limited by law and the members, the Board of Directors shall have and is vested with the power and authority to do, or cause to be done, any and all things for and on behalf of the Society, to exercise or cause to be exercised any and all of its powers, privileges or franchises and to seek the effectuation of its policies and objectives.

### Section 2. Number and Qualifications.

The Board of Directors shall consist of not less than four and not more than nine active members of the Society in good standing and eligible to vote in accordance with Article III; the number shall be determined at the discretion of the Board. Prior to declaring their candidacy, a member must have registered sheep with the Society in the calendar year of their candidacy. The Secretary shall ascertain the qualification of the candidate prior to placing their name on the ballot and shall report any unqualified candidates to the President. Directors must continue to breed and register sheep in each and every calendar year while serving on the board. The Board of Directors shall establish the method of election and appropriate steps to ensure that all members are represented.

### SECTION 3. Term of Office.

The term of office of the Directors shall be three years. All positions shall be subject to election following completion of the term. If additional candidates are not nominated for the position, the incumbent shall continue in office until their successors are elected and take office. Nothing contained herein shall preclude a member of the Board of Directors from succeeding himself or herself.

### SECTION 4. Election of Directors.

Candidates for a director's position shall cause to be delivered to the VBSS designated office a notice of nomination, which letter or email shall be received by August 1 of that year. An official ballot containing the names and resumes of district candidates shall be mailed or emailed to all members of the Society by September 1 of that year. To vote in the election of Directors, a member must return the ballot to the Society office by October 1 of that year or respond to the designated email address included in the notice of election. Director applicants receiving the most votes shall be deemed elected. In the event of a tie, the present directors will pick the winner or one of the tie candidates may choose to refrain from election. The membership will be notified of the results of all elections. The members of the Board of Directors shall be elected from four districts. One director shall be elected from each district and a minimum of one director will serve at large.

The four districts shall be initially established as follows:

District 1. Alaska, Hawaii, Washington, Oregon, California, Idaho, Nevada, Arizona, Utah, Wyoming and Montana.

District 2. North Dakota, South Dakota, Nebraska, Colorado, New Mexico, Kansas, Oklahoma, Texas, Missouri, Arkansas, Louisiana, Mississippi, Alabama and Tennessee.

District 3. Minnesota, Iowa, Wisconsin, Illinois Michigan, Indiana, Ohio and Kentucky.

District 4., West Virginia, Pennsylvania, New York, Vermont, Maine, New Hampshire Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, Virginia, Georgia, North Carolina, South Carolina, and Florida.

The Directors may from time to time move one or more states to contiguous districts to equalize the numbers of registrations in each district. If no members from a district announce their candidacy, a candidate at large may be utilized to fill the position.

#### SECTION 5. Commencement of Term of Office.

Newly elected Directors shall commence their term of office immediately following the adjournment of the last regular meeting of the Board of Directors, preceding the Annual Meeting of members.

#### SECTION 6. Vacancies.

In the case of a vacancy on the Board of Directors, the Directors shall have the power to fill such vacancy with the appointment of a member with the vacant seat to serve the unexpired term until the next annual meeting, at which time the opening would be filled in the same manner provided in Section 4, preference will be given to a member who lives in the district first, however if none are available the position will be filled at large. In the event of a vacancy and a full-term board seat both being available in the same district, members will vote for two (2) candidates. The two candidates receiving the most votes will be appointed to the Board of Directors vacancies in the following manner. The person with the most votes will fill the three-year term and the person with the second most votes will fill the shorter term. Filling an uncompleted term will not preclude a Director from being elected to the Board of Directors for two consecutive three-year terms.

#### SECTION 7. Compensation.

Directors shall not receive any stated compensation for their services but by resolution of the Board. Directors may be reimbursed for expenses incurred in the performance of assigned duties as a director or officer of the VBSS at the discretion of the Board.

#### SECTION 8. Annual Meeting.

The annual meeting of the Board of Directors shall be held at such location as, and immediately following, the annual meeting of the membership of the Society or at such other location and time as designated by the Board of Directors.

#### SECTION 9. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such location as, and immediately following, the annual meeting of the membership of the Society or at such other location and time as designated by the Board of Directors.

#### SECTION 10. Special Meetings.

A special meeting of the Board may be called at any time by the President, or any three or more of the Directors by giving ten days' notice of such meeting to each member of the Board of Directors, stating the time, place and purpose of any such meeting. The place of the special meeting will be designated in the notice. The purpose of the special meeting must be specified in writing and provided to each Board member at the time the meeting is called.

#### SECTION 11. Special Meeting by Telephone or Video Conference.

Members of the Board or of any committee may participate in a meeting of the Board or its committees by means of conference telephone or other similar communications equipment, provided there has been five days written notice, whereby all persons participating in the meeting can hear each other, and participation in a meeting in such a manner shall constitute being present at such meeting.

#### SECTION 12. Action in Lieu of Meeting.

Unless otherwise restricted by law, any action requested to be, or that may be, taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Any such consent signed by all the Directors shall have the same effect as a unanimous vote and may be stated as such in any document describing the action taken by the Board of Directors.

#### SECTION 13. Waiver of Notice.

Any notice provided or required to be given to the Directors may be waived in writing by any of them, whether before, at, or after the times stated therein. The attendance of a Director at any meeting shall constitute waiver of notice of such meeting except where the Director attends and so states at the opening of the meeting, for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

#### SECTION 14. Quorum.

At all meetings of the Board of Directors, a majority of the whole Board shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum, except as may be otherwise specifically provided by law or by these Bylaws or by Articles of Incorporation shall be the act of the Board of Directors.

#### SECTION 15. Resignation.

Any Director may resign at any time by giving written notice thereof to the Board of Directors. Such resignation shall take effect at the time specified in the notice, and unless otherwise specified therein, formal acceptance of such resignation is not necessary to make it effective.

#### SECTION 16. Removal.

Any Director may be removed, with cause, by the vote of two-thirds of the Directors present in person or by proxy at any regular meeting or any special meeting called for that purpose at which a quorum is present and at least ten days previous written notice was provided, and the officer is offered the opportunity to respond to any accusations.

### ARTICLE VI. OFFICERS.

#### SECTION 1. General Duties of Officers.

The officers of the Society shall consist of a President, a Vice-President, Secretary and a Treasurer. No offices may be held by the same person. To be eligible to serve as President, Vice President or Secretary the individual must have served on the Board the previous year, unless no qualified candidates are available, in which case any Board member may be elected. The Board may elect from time to time to delegate some of the duties of one office to another, however in the absence of such delegation the following duties shall be performed by each office:

- a.) The PRESIDENT shall be the chief officer of the VBSS and shall perform the duties of general supervision of the business and affairs of the VBSS. (S)he shall preside at all meetings of the Board, and of the membership. (S)he shall sign in the name of the corporation all documents or instruments which are necessary and proper to be executed in the course of the corporation's business. (S)he shall be an ex-officio participant of all committees appointed by the Board.
- b.) The VICE PRESIDENT shall, in the absence of or the incapacity of the President, act in the capacity of the PRESIDENT.
- c.) The SECRETARY is subject to the ultimate will of the Board and in compliance with the provisions of the bylaws:
  - i. Shall record the proceedings of all board and membership meetings. If a meeting goes into a closed session to deal with matters of personnel, the secretary shall not

- take minutes except as shall be ordered by the Board.
  - ii. Shall insure that the members of the board receive a copy of the minutes within 30 days of the meeting.
  - iii. Shall be responsible for maintaining all official documents, minute books and such other matters entrusted to the secretary's keeping.
  - iv. See that all such documents are kept under proper care and safe keeping.
  - v. Shall record and keep a permanent file of any letter ballots received from the general membership.
  - vi. Shall perform such other activities as may be set by the Board.
- d.) The TREASURER may be a member of the Board and shall be responsible for the financial administrative policies established by the Board and shall perform the duties of supervision over the responsibility for the funds, securities, receipts, and disbursements of the Society. The treasurer is responsible for bringing any questionable expenditure to the attention of the Board in a timely manner and shall see that a timely record of the financial activity of the VBSS be properly preserved. (S)he shall be empowered (without regard to the will of the Board or the members) to require from any director, officer, staff worker, or associate of the VBSS any financial documents, reports, statements giving such true information as may be desired with respect to any and all financial transactions of or with the Society.

## SECTION 2. Election of President, Vice-President and Secretary.

The President, Vice-President, and Secretary shall be elected annually, from the members of the Board of Directors, by the Board of Directors, at the Annual Board meeting immediately following the annual meeting of the members. The newly elected executives shall take office immediately upon this election.

## SECTION 3. Election of Treasurer.

The Treasurer may be a member of the Board, or a dually authorized agent designated by the Board. The Treasurer will be elected by the Board of Directors, at the Annual Board meeting immediately following the annual meeting of the members. The newly elected Treasurer shall take office immediately upon this election.

## SECTION 4. Term of Office.

Each officer of the Society shall hold office for a term of one year or until a successor is selected, unless the officer is removed or resigns before such time. Nothing contained in these Bylaws shall preclude an officer from succeeding himself/herself, except that no person shall hold the office of the President for more than three consecutive terms.

## SECTION 5. Compensation.

Reimbursement for the expenses, if any, of the President or Vice-President in attending meetings or carrying out responsibilities designated by the Board of Directors shall be fixed by the Board of Directors. Compensation for the staff and expenses for carrying out official responsibilities shall be fixed by the Board of Directors.

## SECTION 6. Removal.

Any officer shall be removed, with cause, by the vote of two-thirds of the Directors present in person or by proxy at any regular meeting or any special meeting called for that purpose at which a quorum is present and at least ten days previous written notice was provided, and the officer is offered the opportunity to respond to any accusations.

## SECTION 7. Resignation.

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors.

## SECTION 8. Vacancies.

Vacancies caused by the death, resignation, incapacity, removal or disqualification of any officer shall be filled by the Board of Directors. Any person so appointed to fill such vacancy shall serve at the pleasure of the Board for the un-expired term of the predecessor or until the successor is elected and commences the term of office.

#### SECTION 9. Delegation of Duties.

If any officer is absent, or unable to act, or for any other reason the Board may deem sufficient, the Board may delegate, for the time being, some or all of the functions, duties, powers and responsibilities of any officer to any other officer, agent, or employee of the Society or other responsible person, provided a majority of the whole Board concurs therein.

SECTION 10. Appointment of Other Officers and Agents. The Board of Directors may also appoint, from time to time, such other officers, agents and attorneys-in-fact as it may deem necessary or advisable. All appointed officers, agents, and attorneys-in-fact shall hold their respective positions at the pleasure of the Board or for such terms as the Board may specify, and they shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors or by an elected officer empowered by the Board to make such determination.

### ARTICLE VII. COMMITTEES.

#### SECTION 1. Executive Committee.

The Executive Committee shall consist of the President, the Vice-President, Secretary and the Treasurer, who serves as the chair of the finance committee appointed by an election by the Board of Directors. The Executive Committee shall, when the Board is not in session, supervise and direct the affairs of the Society under policies established by the Board, reporting to the Board for its ratification of the Committee's action.

#### SECTION 2. Other Committees.

The Board of Directors may, from time to time, establish such other committees as it deems necessary or appropriate, with such powers and authority as the Board shall designate. The members of each committee, other than the Executive Committee, shall be appointed by the President with the approval of the Board of Directors. A majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of that committee. Each committee shall meet at such times as may be designated by the President of the Board of Directors.

#### SECTION 3. Place of Meeting.

Meetings of committees may be held at any place as determined by the chairman of that committee. A conference call would be preferred.

#### SECTION 4. Notice.

Written notice of all committee meetings shall be given not less than fourteen (14) days prior to any meeting unless all committee members and the President approve a waiver of that requirement. Any notice required to be given to members of any committee may be waived in writing by any of the members.

#### SECTION 5. Compensation.

Reimbursement for the expenses, if any, of attending meetings of any committee shall be fixed by the Board of Directors.

#### SECTION 6. Removal.

Any member of any committee may be removed, with cause, by a two-thirds vote of the Board of Directors at any meeting at which a quorum is present and at least ten days previous written notice was provided, and the committee member is offered the opportunity to respond to any accusations.

#### SECTION 7. Resignation.

Any member of any committee may resign at any time by giving written notice of such resignation to the President or Board of Directors.

## SECTION 8. Vacancies.

Vacancies caused by death, resignation, incapacity, removal or disqualification of any member of a committee shall be filled by the President with the approval of the Board of Directors. Any person appointed to fill such vacancy shall serve at the pleasure of the Board for the unexpired term of the predecessor or until the successor is chosen and commences the term of office.

## ARTICLE VIII. TERMINATION OR CURTAILMENT OF MEMBERSHIP.

### SECTION 1. Expulsion and Censure of Members.

Any member of this Society: (1) who violates the Articles of Incorporation, Bylaws or Rules of Registry of the Society; (2) who shall deceive or wrong the Society; a member thereof, or another person with respect to Valais Blacknose sheep; (3) whose practices in the breeding of Valais Blacknose sheep are such as to impair the reliability of the records of the Society; may be censured, suspended or expelled by the Board of Directors after notice and a hearing as hereinafter provided. The Board of Directors shall have the power, to define what constitutes such fraudulent and unethical practices.

Any person whose membership has been censured, suspended or expelled and who is at the time an owner of registered sheep may, at the discretion of the Board of Directors, be permitted to transfer the sheep then standing in his/her name on the records of the Society, or to register and transfer the progeny of such sheep, within six months after the date of the cancellation of his/her membership and/or the forfeiture of his/her rights in the Society upon payment of the required fees.

### SECTION 2. Charges Against Members.

Upon a written complaint reflecting adversely upon the conduct of a member being presented to the Society's staff or employee or President of the Society, the President shall direct the Disciplinary Action Committee to cause the same to be investigated. Members shall cooperate fully with the Society in any investigation.

Whenever, as a result of an investigation, the designated Disciplinary Action Committee Chair, with the written concurrence of the President or the Vice-President or the Board of Directors, deems that the best interests of the Society require it, the designated Disciplinary Action Committee Chair shall file with the Board of Directors, charges in writing against the member based upon the information and investigation.

The designated Disciplinary Action Committee Chair shall forthwith cause a copy of such charges, together with a written notice of the time and place of the hearing thereof before the Board of Directors, to be served upon said member by certified or registered mail addressed to the members at the member's last-known address as shown by the records of the Society not less than thirty (30) days prior to said hearing.

Such notice shall contain a statement of the purpose and scope of the hearing and of the action which the Board of Directors has power to take regarding the person's membership in the Society and shall further advise the member that the member may appear in person or by counsel and produce witnesses, affidavits, and documentary or other evidence.

### SECTION 3. Hearings.

At the hearing upon said charges, both the person bringing them and the member against whom they have been brought shall have the right to be heard in person and by counsel and to produce whatever witnesses, affidavits, documentary or other evidence the member may desire to produce. Oral testimony shall be recorded. At the close of said hearing or as soon thereafter as may be reasonably possible, the Board of Directors shall make its finding as to the charges and shall render its decision thereon, either censuring, suspending or expelling said member, or dismissing the charges.

When a member has been denied privileges of the Society or has been censured, suspended or expelled from membership, such action shall be communicated to the Society's members.

Neither the Board of Directors, nor any of their members nor any officer or employee of the Society, shall become liable for the decisions rendered, put into effect or published as provided for in the Bylaws, nor for any action taken pertaining to the same.

### SECTION 4. Terminated or Altered Privileges.

The Board of Directors shall establish a procedure for transaction registry or transfer work on sheep owned or previously owned by a person whose privileges has been terminated or altered under this article.

## ARTICLE IX. NONMEMBER SERVICES.

Section 1. Nonmember Services and Penalties. The same rules and procedures set forth in Section 1, 2, 3 and 4 of Article VIII shall apply in dealing with nonmembers who avail themselves of services of the Society. The penalties for nonmembers shall be termination, limitation, or denial of registration or other services of the Society.

## ARTICLE X. GENERAL PROVISIONS.

### SECTION 1. Fiscal Year.

The fiscal year of the Society shall be such as may be designated from time to time by the Board of Directors. In the absence of action by the Board of Directors, the fiscal year of the Society shall be from January 1 through December 31 of the calendar year.

### SECTION 2. Financial Controls.

Funds of the Society shall be handled and expended in keeping with accepted budget and accounting practices under policies established by the Board of Directors. Funds kept in deposit accounts will be monitored at regular intervals to ensure that reasonable returns are achieved on investments. All moneys, securities, and other valuables of the VBSS shall be deposited in the name of the Valais Blacknose Sheep Society in such banks, trust companies, or safe deposit boxes as the Board of Directors shall designate, and shall be withdrawn only by check or order signed by such person as designated by the Board.

All instruments of assignment, transfer, conveyance, release and contract requiring execution of the Board of Directors of the VBSS shall be signed by the authorized officer or agent designated by the Board.

The President, or any other officer of the Board may accept any and all unconditional and unrestricted bequests, devices, or donations.

No part of the net earnings of this corporation shall inure to the benefit of any individual, and no part of the funds of this corporation shall attempt to influence legislation, nor shall this corporation engage in any prohibited transaction as defined by the Internal Revenue Code.

The Board of Directors may require that the yearly audit of the Society is conducted by an independent auditor who is beyond the realm of the business affairs of the VBSS. A copy of such audit shall be available to the members of the VBSS.

### SECTION 3. Indemnification of Directors, Officers and Agents.

Each person who is or was a Director, officer or agent of the Society or is or was serving at the request of the Society as a Director, officer or agent or another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Society as of right to the full extent permitted or authorized by the laws of the state in which the Society is incorporated. The indemnification provided by this Bylaw provision shall be indemnification against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonable incurred by the person in connection with any action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Society, and with respect to any criminal action or proceeding, has no reasonable cause to believe the conduct was unlawful.

No person shall be liable to the Society for any loss, damage, liability, or expense suffered by it on account of any action taken or omitted to be taken as a Director, officer or agent of the Society or of any other corporation, partnership, joint venture, trust, or other enterprise, that the person serves as a Director, officer or agent at the request of the Society, if the person exercise the same degree of care and skill as a prudent man would have exercised under the circumstances in the conduct of his own affairs, or if the person took, or omitted to take, such action in reliance upon the advice of counsel for the Society or for such other corporation, firm, or other enterprise that the person had no reasonable grounds to disbelieve.

The indemnification provided by this section shall inure to the benefit of the heirs, executors and administrators of such person.

#### SECTION 4. Records.

The Society shall keep accurate books and records of account and shall also keep Minutes of the meetings of its members, Board of Directors and each committee having any of the authority of the Board of Directors.

#### SECTION 5. Seal.

The Board of Directors shall adopt, and may alter at its pleasure, the corporate seal, which shall have inscribed thereon the name of the corporation and the words: Valais Blacknose Sheep Society and the letters VBSS. The corporate seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced in any manner.

#### SECTION 6. Bylaw Amendments.

These Bylaws may from time to time be altered, amended or repealed, or new Bylaws may be adopted by the vote of two-thirds of the members in good standing who cast mail ballots on such.

Proposed bylaw changes may be initiated by the Board or by petition to the Annual Membership Meeting, signed by not less than 25% of the members of the Society.

#### SECTION 7. Duty of Applicants/Members.

It shall be the duty of each member of the Society to obtain from the Society, Application for Registry and Transfer forms with the most recent Rules of Registry printed thereon and to abide by the Rules of Registry.

It shall be the duty of persons availing themselves of the privileges of the Society to promptly answer all letters or inquiries of the Society. Action on all matters dealing with applicants/members relations with the Society shall be deferred until said letters and inquiries are fully answered.

#### SECTION 8. Limitation of Duty.

It shall not be the duty of this Society to enforce any contract or agreement between buyers and sellers other than the furnishing of proper certificates of registry and transfer of ownership, or of the breeding records, as submitted by the breeder, relating to such sheep or their progeny.

### ARTICLE XIII. DISSOLUTION AND SUCCESSION

Upon dissolution of the Valais Blacknose Sheep Society, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Society, dispose of all assets of the Society exclusively for the purposes of the Society in such manner, or to such organization or organizations organized for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization under section 501 (c) (3) or the Internal Revenue Code of 1954 (or corresponding provisions of any future United States Internal Revenue Law) as the Board of Directors shall determine.