

BYLAWS

FOR

ST. CROIX HAIR SHEEP BREEDERS, INC.

WATKINSON LAIRD RUBENSTEIN
BALDWIN & BURGESS
A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

BYLAWS OF ST. CROIX HAIR SHEEP BREEDERS, INC.
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1. OFFICES.

1.1. Principal Office. The principal office of the Corporation is located in Days Creek, Oregon. The Corporation may have such other offices in or out of the state of Oregon, as the Board of Directors (Board) may designate or as the business of the Corporation may require.

1.2. Registered Office. The registered office of the Corporation required by the Oregon Nonprofit Corporation Act to be maintained in the state of Oregon may be, but need not be, identical with the principal office in the state of Oregon, and the address of the registered office may be changed from time to time by the Board upon compliance with the requirements of the Oregon law for change of the registered office.

2. MEMBERSHIP.

2.1. Members; No Stock. The Corporation has members, but does not have shareholders. No shares of capital stock will be issued.

2.2. Qualification for Membership. Membership is open to any individual who is interested in, promotes, owns, or breeds St. Croix Hair Sheep.

2.3. Dues. Membership dues will be established from time to time by the Board. A member may be expelled from the Corporation for failure to pay dues or assessments within 30 days after they become due.

2.4. Annual Meeting. A member meeting will be held in each year at such time as the Board determines. The annual meeting will include the annual budget report and the annual report of the activities of the Corporation and any other matters the Board includes in the Notice. The Board will set the time and place for the meeting.

2.5. Special Meetings. The Corporation may hold a special meeting of members upon the call of either the Board, or at least 10 percent of the members. A call by 10 percent of the members can be made by a written demand that is dated and delivered to an officer describing the purpose for which the meeting is to be held, and signed by those members.

2.6. Place of Meeting. Meetings of the members will be held at the principal office of the Corporation, or at any other place, which the Board may, from time to time, designate.

2.7. Notice of Meeting. Written notice stating the place, day, and hour of any member meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, must be delivered not less than 10 nor more than 60 days before the meeting date, at the

direction of the president or other persons calling the meeting, to each member of record entitled to vote at such meeting. Notice must be delivered in person, by first class U.S. mail, or by electronic transmission (facsimile or email) to the last email or physical address given by the member to the Corporation. Notice is deemed delivered on the second day following deposit in the United States mail or on the date transmitted electronically.

2.8. Establishing a Membership Record Date. For the purpose of determining members entitled to notice or to vote at any member meeting, or in order to make a determination of members for any other proper purpose, the Board may establish a record date. The record date will not be more than 70 days and not less than 10 days prior to the date that an action requiring a determination of members is taken. If no record date is fixed for the determination of members, the notice mailing date will be the record date.

2.9. Quorum of Members. Those members present at any member meeting constitute a quorum. Members are present where all members participating may simultaneously hear each other during the meeting, irrespective of whether or not they are present in the same location.

2.10. Proxies. No voting by proxy is permitted.

2.11. Voting. Each member in good standing is entitled to vote. Cumulative voting is not allowed. If a quorum is present, the affirmative vote of the majority of the members is the act of the members, except that the vote of 2/3 of the members is required to adopt a budget, establish dues, or expel a member.

2.12. Expulsion. Any individual member may be expelled from the Organization with or without cause by a vote of 2/3 of the directors then serving or by a vote of 2/3 of the members present at any meeting.

2.13. Transferability. Membership rights are nontransferable.

3. BOARD OF DIRECTORS.

3.1. General Powers. The Board will manage the Corporation's business and affairs.

3.2. Number, Tenure, and Qualifications.

3.2.1. The Board is composed of not less than 3 nor more than 15 directors. The initial Board consists of 3 directors. The Board is authorized to change the number of directors serving by action of a majority of directors then serving, provided that no action to decrease the number of directors is effective until the end of a director's term of office.

3.2.2. Each director serves for a term of 2 years or until a successor is elected whichever is earlier. The initial directors will have a term of 1 year.

3.3. Regular Meetings. A regular annual board meeting will be held during the last month of the Corporation's fiscal year, at such time and place as determined by the directors. The Board may hold additional regular meetings.

3.4. Special Meetings. Special meetings of the Board may be called by or at the request of the president or any three directors.

3.5. Notice. Written notice stating the time, place, day, and purpose of any board meeting must be given to each director at least 3 days before any special board meeting and at least 10 days before any regular or annual meeting. Notice must be delivered in person, by first class U.S. mail or by electronic transmission (facsimile or email) to the last email or physical address given by the director to the Corporation. Notice is deemed delivered on the second day following deposit in the United States mail or on the date transmitted electronically.

3.6. Quorum. A majority of the directors constitutes a quorum. Directors are present at a meeting where all directors participating may simultaneously hear each other during the meeting, irrespective of whether or not they are present in the same location.

3.7. Manner of Acting. Unless expressly provided otherwise in these Bylaws, the act of a majority of the directors at a meeting where a quorum is present is the act of the Board. Any action may be approved by the Board through written communication (including electronic transmission); such action must have unanimous approval.

3.8. Vacancies. Any vacancy occurring on the Board may be filled by the affirmative vote of the majority of the remaining directors. A director appointed to fill a vacancy is elected for the unexpired term of the director's predecessor in office.

3.9. Presumption of Assent. A director who is present at a board meeting at which action on any corporate matter is taken is presumed to have assented to the action taken unless a dissent is entered in the minutes of the meeting or a dissent is sent by registered mail to the secretary immediately after the adjournment of the meeting.

3.10. Removal. Any director may be removed from office with or without cause by a vote of 2/3 of the directors then serving. A director may also be removed with or without cause at any member meeting by a vote of 2/3 of the members in good standing.

3.11. Resignation. Any director may resign at any time by giving written notice to the Corporation, to the Board, to the president, or to the secretary. Any such resignation takes effect at the time specified in the notice or upon acceptance by the Board.

3.12. Election of Directors. The Board will nominate a slate of directors for election. The members may nominate additional director candidates at the annual meeting preceding the mailing of the ballots. The members will elect the directors by mail ballot.

4. OFFICERS.

4.1. Number. The officers of the Corporation are a president, vice-president, secretary, and treasurer.

4.2. Election and Term of Office. Officers will be elected annually by the Board, and will serve in accordance with their job descriptions as set forth in these Bylaws, until their successors are duly appointed.

4.3. Removal and Resignation. Any officer may be removed from office by an affirmative vote of 2/3 of the directors then serving. Any officer may resign by giving written notice to the Corporation, to the Board, to the president, or to the secretary. Resignation takes effect at the time specified in the notice or upon its acceptance by the Board.

4.4. Salaries. The officers will not receive any salaries for their service on the Board.

4.5. President. The president is the principal executive officer of the Corporation and, subject to the control of the Board, supervises all of the business and affairs of the Corporation. The president presides at all meetings of the Board. The president may sign, with any other officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where signing is expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or is required by law to be otherwise signed or executed; and performs all duties incident to the office of president and such other duties as may be prescribed by the Board.

4.6. Vice-President. In the absence of the president or in the event of the president's death, inability, or refusal to act, the vice-president will perform the duties of the president, and when so acting, has all the powers of and be subject to all the restrictions upon the president. Any vice-president will perform duties as from time to time as may be assigned to the vice-president by the president or by the Board.

4.7. Secretary. The secretary keeps at the principal office, or such other place as the Board may order, a book of minutes of all meetings of directors showing the time and place of the meeting, whether the meeting was regular or special and, if a special meeting, how authorized, the notice given, the names of those present and the actions authorized; performs the duties incident to the office of secretary; and any other duties assigned to the secretary by the president or the Board.

4.8. Treasurer. The treasurer safeguards Corporate funds, deposits and withdraws Corporate funds in such depositories as authorized by the Board, keeps full and accurate accounts of receipts and disbursements, performs the duties incident to the office of treasurer, prepares relevant data and insures that the Corporation's federal and state tax returns are prepared and filed timely under the guidance of or by a Certified Public Accountant, and performs other duties as assigned to the treasurer by the president or the Board.

5. CONTRACTS, LOANS, CHECKS, AND DEPOSITS.

5.1. Contracts. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be in general or confined to specific instances.

5.2. Loans to Corporation. No loans will be contracted on behalf of the Corporation and no evidences of indebtedness will be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

5.3. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, must be signed by the officer or agent of the Corporation as determined by resolution of the Board.

5.4. Deposits. All funds of the Corporation not otherwise employed must be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board selects.

5.5. Execution of Documents. The Board may, except as otherwise provided in these Bylaws, authorize any officer or agent of the Corporation to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board, or unless inherent in the authority vested in the office under the provisions of these Bylaws, no officer, agent, or employee of the Corporation has any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

5.6. Loans. The Corporation will not lend money to, nor guarantee the obligations of, any director, member, or employee of the Corporation.

6. **FISCAL YEAR.** The fiscal year will be determined by the Board.

7. **WAIVER OF NOTICE.** Whenever any notice is required to be given to a director under the provisions of these Bylaws or the Oregon Nonprofit Corporation Act, a waiver in writing, signed by the person entitled to notice is equivalent to the giving of notice.

8. **AMENDMENTS.** These Bylaws may be amended or repealed and new Bylaws may be adopted by action taken by an affirmative vote of 2/3 of the directors then serving.

9. **INDEMNIFICATION OF DIRECTORS AND OFFICERS.**

9.1. Directors and Officers. The Corporation indemnifies to the fullest extent permitted by law, any person who is made, or threatened to be made, a party to or witness in, or is otherwise involved in, any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including any action, suit or proceeding by or in the right of the Corporation) by reason of the fact that:

9.1.1. The person is or was a director or officer of the Corporation or any of its subsidiaries;

9.1.2. The person is or was serving as a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation or any of its subsidiaries; or

9.1.3. The person is or was serving, at the request of the Corporation or any of its subsidiaries, as a director or officer, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise.

9.2. Employees and Other Agents. The Corporation may indemnify its employees and other agents to the fullest extent permitted by law.

9.3. Advances of Expenses. The expenses incurred by a director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise, which the director or officer is made or threatened to be made a party to or witness in, or is otherwise involved in, will be paid by the Corporation in advance upon written request of the director or officer, if the director or officer:

9.3.1. Furnishes the Corporation a written affirmation of his or her good faith belief that he or she is entitled to be indemnified by the Corporation; and

9.3.2. Furnishes the Corporation a written undertaking to repay such advance to the extent that it is ultimately determined by a court that he or she is not entitled to be indemnified by the Corporation. Such advances will be made without regard to the person's ability to repay such expenses and without regard to the person's ultimate entitlement to indemnification under this or otherwise.

9.4. Nonexclusivity of Rights. The rights conferred on any person by this paragraph are in addition to any rights to which a person may otherwise be entitled under any articles of incorporation, bylaw, agreement, statute, policy of insurance, vote of Board, or otherwise.

9.5. Survival of Rights. The rights conferred on any person by this paragraph continue after that person has ceased to be a director, officer, employee, or agent of the Corporation; and inure to the benefit of the heirs, executors, and administrators of such person.

9.6. Amendments. Any repeal of this paragraph may be prospective only and no repeal or modification of this paragraph will adversely affect any right or protection that vested prior to the time of such repeal or modification.

10. TRANSACTIONS BETWEEN CORPORATION, INTERESTED DIRECTORS.

10.1. Conflict of Interest. A transaction with the Corporation in which a director has a direct or indirect interest is not voidable by the Corporation solely because of the director's interest in the transaction if either (1) the material facts of the transaction and the director's interest were disclosed or known to the Board and the Board authorized, approved or ratified the transaction; or (2) the transaction was fair to the Corporation. Authorization, approval or

ratification occurs if a majority of the directors on the Board, who have no direct or indirect interest in the transaction vote to authorize the transaction.

10.2. Disqualification. A director is not disqualified by the director's office from contracting with the Corporation as vendor, purchaser, or otherwise; nor is any contract or arrangement entered into by or on behalf of the Corporation in which any director is in any way interested void on that account, provided that such contract or arrangement has been approved or ratified by a majority of the Board pursuant to paragraph 10.1.

11. COMMITTEES. The Board may establish special committees from time to time as necessary for the effective management of the Corporation. In addition, there will be an Executive Committee that has primary responsibility for the Corporation's day-to-day operations and consists of the officers.

12. CORPORATE PURPOSE.

12.1. This Corporation is intended to qualify as a tax-exempt nonprofit entity under Section 501(c)(5) of the Internal Revenue Code, as amended from time to time, and as a mutual benefit corporation as defined under Oregon Revised Statutes, Chapter 65, as amended from time to time. The Corporation is organized exclusively for exempt purposes within the meaning of Section 501(c)(5) of the Internal Revenue Code. Notwithstanding any other provisions of these Articles, the Corporation will not carry on any activity not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(5) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

12.2. The specific purposes of this Corporation is to establish a central organization, within the United States, to register, promote, and develop the growth of the St. Croix Hair Sheep breed; to define the distinguishing characteristics of the breed; to establish specific minimum standards for registering individual animals; to insure that individual animals meet specified criteria in order to be registered as members of the St. Croix Hair Sheep breed, and to foster animal husbandry in general and development of the St. Croix Hair Sheep breed in particular.

ADOPTED effective September 23, 2011.

Kathleen Bennett, Secretary