

THE MOUNTAIN AND VALLEY WOOL ASSOCIATION, INC.

BY-LAWS

ARTICLE 1

Purpose

1.01 Purpose

It shall be the purpose of this Association to enable individuals and groups in New Mexico, Colorado, and Texas who are involved in growing wool* and creating wool products to develop programs to help meet their technological, production, marketing, finance, business, and other related needs.

*includes mohair, angora, alpaca and other animal fibers.

1.02 Organization

MAVWA is organized exclusively for charitable, religious, educational and scientific purposes including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501 (c) 3 of the Internal Revenue Code, including any future revisions or amendments thereto.

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. The Association shall not engage in any political or ideological advocacy nor shall it otherwise attempt to influence legislation, and it shall not campaign for, endorse, support, assist, aid or otherwise take part on behalf of any candidate seeking public office. Notwithstanding any other provision of these By-Laws, the Association shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under Section 501 (c) 3 of the Internal Revenue Code, including any future revisions or amendments thereto, or (b) by an organization, contributions to which are deductible under Section 170 (c) 2 of the Internal Revenue Code, including any future revisions or amendments thereto.

ARTICLE II

Membership

2.01 Membership

Membership in this Association is open to those who desire to work together to accomplish the Association's purposes as set forth in these By-Laws. A "member" is defined as being an individual, a family, or a business or organization or association (whether incorporated or not or otherwise functioning as a legally recognized entity such as a partnership or LLC). Each member shall have one

MOUNTAIN & VALLEY WOOL ASSOCIATION, BY-LAWS, P. 2

vote for all issues to be voted upon at membership meetings and shall likewise have one vote for the election of the Board of Directors.

2.02 No individual or group shall be excluded from membership in this Association on the basis of race, color, religion, age, or sex.

ARTICLE III

Offices

3.01 Offices

The Association may have offices in places, both within and without the State of Colorado, the State of New Mexico and the State of Texas, as the Board of Directors may from time to time determine or the business of the Association may require.

ARTICLE IV

Membership Meetings

4.01 Meetings

Meetings of the membership may be called by the Board of Directors or by ten (10) members of the Association. A simple majority or twenty (20) of the enrolled members, whichever is less, shall constitute a quorum at any meeting of the membership.

4.02 Annual Membership Meeting

There shall be an annual meeting of the membership, at which time said membership shall elect from among its members a Board of Directors and shall transact such other business as may properly be brought before a meeting of the membership.

(a) Notice of all general meetings of the MAVWA membership will be given to the membership, no less than ten nor more than fifty days before the date of the meeting.

ARTICLE V

Board of Directors

5.01 Number of Directors

The Mountain and Valley Wool Association shall have a Board of Directors consisting of at least 9 and no more than 13 Directors (individuals). Within these limits, the Board may increase or decrease the number of Directors serving on the Board, including for the purpose of staggering the terms of Directors.

5.02 Terms

(a) All Directors shall be elected to serve a two-year term.

(b) Director terms shall be staggered so that approximately half the number of directors will end their terms in any given year.

MOUNTAIN & VALLEY WOOL ASSOCIATION, BY-LAWS, P. 3

(c) Directors may serve terms in succession.

(d) The two-year term of office shall be considered to begin January 1 and end December 31 the following year.

(e) Any Director may resign at any time by giving written notice or email notice to the entire Board. At the next regular board meeting of the Board of Directors following such resignation, the resignation shall be officially accepted and entered in the minutes of the meeting. It shall be the duty of the Secretary to promptly give notice in writing or by e-mail to any person, organization, association, institution or other entity which the Board determines should be advised that the membership of the Board of Directors has been modified as a result of such resignation.

5.03 Qualifications and Election of Directors

(a) In order to serve as a Director on the Board of Directors, the individual must be 18 years of age and must be a member of the Mountain and Valley Wool Association. Any member which is a business or organization or association as set forth in the definition of "member" in 2.01 shall be entitled to designate a representative of said business or organization or association to stand for election as a Director.

(b) Directors are elected by the general membership of the Mountain and Valley Wool Association.

(c) A slate of nominees shall be sent to the general membership four weeks prior to election date.

(d) Voting shall be accomplished by in-person, mail, or secure electronic mail vote.

5.04 Vacancies

The Board of Directors may fill a previously unfilled Board position, subject to the maximum number of Directors allowed under these By-Laws.

(a) Unexpected Vacancies

Vacancies in the Board of Directors due to resignation, death, or removal shall be filled by the Board for the balance of the term of the Director being replaced.

5.05 Removal of Directors

A Director may be removed by a majority vote of the Board of Directors then in office, if:

(a) the Director is absent and unexcused from three or more meetings of the Board of Directors in a twelve-month period. The Board Chair is empowered to excuse Directors from attendance for a reason deemed adequate by the Board Chair. The Chair shall not have the power to excuse him/herself from the Board meeting attendance and in that case, the Board Vice Chair shall excuse the Chair, Or:

(b) for cause, if before any meeting of the Board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to discuss his/her case and is given the opportunity to be heard at a meeting of the Board.

5.06 Board of Directors Meetings

Meetings of the Board of Directors for any purpose may be held at such time and place within or without the State of Colorado, the State of New Mexico, or the State of Texas as shall be stated in the notice of the meetings or in a duly executed waiver of notices thereof.

MOUNTAIN & VALLEY WOOL ASSOCIATION, BY-LAWS, P. 4

(a) Notice of all regular meetings of the MAVWA Board of Directors shall be given to the Board of Directors, whether said meetings be in person or by telephone conference, at least 72 hours in advance, and that this notice shall include time and place of meeting, or telephone number for a telephone conference.

(b) A special meeting of the Board of Directors for any purpose may be called by the Chair or Secretary at the request of two Directors.

(c) A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. No business shall be considered by the Board at any meeting at which a quorum is not present.

(d) Any action required or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the Directors.

5.07 Compensation for Board Service

Directors shall receive no compensation for carrying out their duties as Directors. The board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out board responsibilities, including, but not limited to, travel expenses to attend board meetings.

ARTICLE VI

Officers and Committees

6.01 Board Officers

The officers of the Association shall be elected by the Board of Directors from among their membership and shall consist of a Chair, a Vice Chair, a Secretary, and a Treasurer.

6.02 Term of Office

Each officer shall serve a one-year term of office and may serve consecutive terms of office. Each Board officer's term of office shall begin at the board meeting at which he/she is elected and shall end upon the Board meeting during which a successor is elected.

(a) Any officer elected or appointed by the Board of Directors may be removed at any time by a majority vote of the Board (see 5.05). Any vacancy occurring in any office of the Association by death, resignation, removal, or otherwise, may be filled by appointment of the Board of Directors. Any officer may resign at any time by giving written notice or email notice to the entire Board. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice. The acceptance of the resignation shall not be necessary to make it effective. Notice of the resignation shall be in accordance with 5.02 (e).

6.03 Chair

The Board Chair shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the general membership and the Board of Directors.

MOUNTAIN & VALLEY WOOL ASSOCIATION, BY-LAWS, P.5

6.04 Vice Chair

The Vice Chair shall, in the absence or incapacity of the Chair, preside over Board meetings and otherwise function with the same authority as the Chair. The Board may, from time to time, delegate other duties to the Vice Chair.

6.05 Secretary

The Secretary shall attend all meetings of the membership and the Board of Directors and record the proceedings of the meetings. The minutes of each meeting shall state the time and place that it was held, and such other information as shall be necessary to determine the actions taken. Designated written instruments shall be attested by the Secretary or the Treasurer.

6.06 Treasurer

The Treasurer shall have custody of the Association's funds and disbursements and other transactions in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association. The Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports be made available to the Board of Directors and membership on a timely basis.

6.07 Executive Committee

The Officers shall constitute the Executive Committee, which shall have general supervision of the affairs of the Association between the meetings of the Board of Directors, make recommendations to the Board of Directors, and perform other duties as are specified in these By-Laws. The Executive Committee shall be subject to the orders of the Board of Directors and none of its acts shall conflict with action taken by the Board of Directors. During emergencies and between meetings of the Board of Directors, the Executive Committee shall exercise the powers of the Board, reporting its action for approval at the next regular Board meeting.

6.08 Committees

The Board of Directors may establish committees and delegate responsibilities as necessary for the purpose of carrying out its work.

ARTICLE VII

Finances

7.01 Finances

All checks or demands for money and notes of the Association shall be signed by the Treasurer for any amount up to \$1500. Any amount exceeding the single-signer approval must contain two signatures, to include the Chair or Vice Chair and the Secretary or Treasurer or as the Board of Directors may designate. Amounts may not be divided to avoid a two-signature requirement.

7.02 Audit

Books shall be audited by a qualified auditor on a yearly basis. The financial records of the organization will be audited by an independent auditor or audit committee annually with results reported at the following board meeting.

MOUNTAIN & VALLEY WOOL ASSOCIATION, BY-LAWS, P.6

ARTICLE VIII

Fiscal Year

8.01 Fiscal Year

The fiscal year of the Association shall be from January 1 to December 31 of each year.

ARTICLE IX

Amendments

9.01 Amendments

These By-Laws may be altered, amended, or repealed or new By-Laws may be adopted by the membership at any regular or special meeting, provided notice by mail or email of such proposals be sent to each member at address of record at least four weeks prior to such meeting. Voting shall be accomplished by an in-person, mail, or electronic mail vote.