

BYLAWS OF
THE INTERNATIONAL LAMA REGISTRY, INC.

ARTICLE I. PURPOSE

The purpose of the INTERNATIONAL LAMA REGISTRY, INC. ("ILR") shall be to maintain an official genealogical registry system and research service for camelids.

ARTICLE II. OFFICES

The principal office of the ILR shall be fixed and located at such place as the Board of Directors shall determine from time to time. The Board is granted the full power and authority to change the principal office from one (1) location to another.

ARTICLE III. MEMBERS

- 3.1 Membership. Any person, corporation, partnership or legal entity that owns a camelid registered with the ILR is entitled to become a member. Membership shall be granted upon written application submitted in the form and manner specified by the secretary and accompanied by the annual dues.
- 3.2 Voting Rights. Each member shall be entitled to one (1) vote on all matters submitted to vote of the members.
- 3.3 Annual Dues. The annual dues shall be set by the Board of Directors and approved by the membership. With the approval of the membership, annual dues may be waived or reduced for a registering entity that has registered one (1) or more animals within each year.

ARTICLE IV. MEETING OF MEMBERS

- 4.1 Annual Meeting. There shall be an annual meeting of the members at which time the members shall transact such business as shall properly come before them. In addition, at the annual meeting, the Board of Directors shall render an annual report, the treasurer shall render a financial report, the membership may be polled on its opinion on various issues, and the Board of Directors shall answer questions of the membership on issues that are properly before the members. Annual meetings of the members shall be held at the place, date and time established by resolution of the Board of Directors from time to time.
- 4.2 Special Meetings. Special meetings of the membership may be called by a majority vote of the Board of Directors or by the holders of at least five percent (5%) of the members of the ILR who sign, date and deliver to any corporate officer, one (1) or more written demands for the meeting that describe the purpose or purposes for which it is to be held. Special meetings of the members shall be held at the place, date and time established by resolution of the Board of Directors.
- 4.3 Notice of Meeting. Written notice stating the place, the date and the time of any regular or special meeting of the members shall be given to each member not less than ten (10) days before the date of the meeting. Notice of a special meeting shall include a description of the matter or matters for which the meeting is called and notice of annual or regular meetings shall only include a description of such matters to the extent required by applicable law.

- 4.4 Quorum. The members holding ten percent (10%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present, a majority of the members present may adjourn the meeting to a time certain without further notice.
- 4.5 Manner of Acting at Meeting. A majority of the members present or voting on a matter at a meeting at which a quorum is present shall be necessary for the adoption of any matter unless a greater proportion is required by law or by the Bylaws.
- 4.6 Action by Written Ballot. If determined by resolution of the Board of Directors, any action that may be taken at any annual, regular or special meeting of the members may be taken without a meeting if the ILR delivers a written ballot to every member entitled to vote on the matter. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this Section 4.6 is valid only when (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and (ii) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot must (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the ILR in order to be counted. A written ballot may not be revoked by a member after it has been received by the ILR.

ARTICLE V. BOARD OF DIRECTORS

- 5.1 General Powers The affairs of the ILR shall be managed by a Board of Directors. The directors must be members of the ILR. The Board of Directors shall have all powers necessary to properly manage the affairs of the ILR. Such powers shall include, without limitation:
- 5.1.1 All powers granted under the Articles of Incorporation of the International Lama Registry, Inc., a non-profit corporation, or any amendment thereto.
- 5.1.2 All powers reasonably necessary to enforce the ILR 2001 Registry Policies or any amendment or supplement thereto ("Policies"), including, without limitation, the power to conduct investigations and hold hearings whenever the Board of Directors determines that there is sufficient evidence of a member's violation of the Policies and to impose sanctions against any member who is found by the Board of Directors to have violated the Policies, which sanctions shall include, without limitation, the power to refuse to register, list or transfer the lamas (or their offspring) of a member, the suspension of a member's membership, the expulsion of a member and/or the imposition of fines against a member, including all costs and attorney fees incurred by the ILR in the investigation and enforcement of a member's violation of the Policies.
- 5.2 Number, Tenure and Term. The number of directors shall be five (5). Each director shall hold office for a term of five (5) years, with terms staggered so that one (1) director will be elected each year. An elected director's term shall begin on the date of the first lawfully convened Board of Directors meeting. Directors may serve for more than one (1) term, provided that a minimum of one (1) year's absence from the Board of Directors shall occur after any two (2) consecutive terms.
- 5.3 Annual Meetings. A regular public meeting of the Board of Directors shall be held annually at a place, date and time to be established by resolution of the Board of Directors. The meeting shall be open to the members of the ILR for the purpose of allowing the Board of Directors and members to discuss issues of importance to the ILR.
- 5.4 Special Meetings. Special meetings of the Board of Directors may be called at the request of three (3) directors or by the president. The directors calling the meeting may fix the place, date and time of the meeting. Special meetings by means of teleconference calls are authorized.

- 5.5 Notice. Notice of the time, date and place of regular or special board of directors meetings shall be given to each of the directors in person, by telephone, by facsimile or by other form of wire or wireless communication at least forty-eight (48) hours in advance of the meeting; or mailed, written notice, postmarked not later than the 15th day before the day of the meeting to the address of the director. The purpose of the meeting shall be specified in the notice. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- 5.6 Quorum. A quorum of the Board of Directors shall consist of a majority of the directors in office immediately before a meeting begins. If a majority is not present, a majority of those present may adjourn the meeting to a time certain without further notice.
- 5.7 Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors shall be deemed to be the act of the Board of Directors unless a greater number is required by law, the Articles of Incorporation or these Bylaws.
- 5.8 Vacancies. A vacancy occurring in a directorship shall be filled by the remaining directors in accordance with the following provisions:
- 5.8.1 The Board shall fill the vacancy by appointment within thirty (30) days. However, if there are six (6) months or less before the next election of directors, the vacancy may remain open until the next scheduled election. If appointed, the appointee will serve until the next regularly scheduled election at which time the membership will elect the replacement director. The Board may not consist of fewer than four (4) members.
- 5.8.2 If two directors are elected in an election because of a vacancy on the board, the person with the highest vote count will be elected for a five-year (5) term and the person with the second highest vote count will serve for the remainder of the vacated term.
- 5.9 Compensation. Directors shall not receive a salary or any other compensation for their services. The preceding shall not prohibit the reimbursement of expenses incurred while performing their duties as directors. Directors may not serve the ILR in any other capacity or receive compensation therefor during their term as directors.
- 5.10 Removal of Director by Members. Upon receipt of a petition signed and dated by not less than five percent (5%) of the members of the ILR, a recall election shall be scheduled within a reasonable time thereafter. At such election, the members may remove one (1) or more directors elected by them without cause if the number of votes cast to remove the director(s) would be sufficient to elect the director(s) at a meeting to elect directors. The notice of the meeting must state that the purpose or purposes for the meeting is the removal of the director(s). The recall election shall be governed by the provisions of Section 5.11.6.
- 5.11 NOMINATION AND ELECTION PROCEDURES FOR BOARD OF DIRECTORS.
- 5.11.1 Nomination Committee. The Board of Directors shall provide for the appointment of five (5) members of the ILR to constitute a nomination committee. This committee shall actively recruit and nominate candidates for the election of director(s) for the ensuing term(s). The nomination committee shall make certain that there are at least two (2) candidates for each vacancy on the Board.
- 5.11.2 Nominations by Petition. Ten (10) members of the ILR may nominate one (1) or more candidates for director by a petition delivered to the chairperson of the nomination committee prior to the closure of nominations.
- 5.11.3 Qualifications, Statement of Candidacy. All nominees must be members in good standing of the ILR. Nominations shall be closed not later than two (2) months before the election. The nomination

committee shall require that each nominee submit a statement on behalf of his or her candidacy. The form of this statement and its distribution to the membership shall be established by the nomination committee.

- 5.11.4 Tabulation of Ballots. The Board of Directors shall utilize one (1) or more disinterested persons to count the ballots, tabulate the results and report to the Board of Directors, in writing, the names of those individuals elected to the Board of Directors. Ballots, envelopes and tabulations of results shall not be destroyed for at least sixty (60) days after an election.
- 5.11.5 Ballot. At least four (4) weeks before the election, a ballot containing the names of the nominees shall be mailed to each member entitled to vote. The solicitation for votes accompanying the written ballot shall indicate the number of responses needed to meet the quorum requirement and specify the time by which the ballot must be received by the ILR in order to be counted. Once received by the ILR, a written ballot may not be revoked by the member who submitted the same. The ballot shall be accompanied by the statement of each nominee in a form approved by the nomination committee.
- 5.11.6 Voting Procedure. Unless otherwise established by resolution of the Board of Directors, all voting for the election of directors shall be by written ballot. Each member may exercise his or her right to vote for the election of directors. The ballots shall be mailed to the ILR at the address designated by it. Except in the case of a tie, no ballot shall be counted unless it is received by the ILR on or before the return date set by the Board of Directors. In the event of a tie, late ballots that would not otherwise be valid will be counted and used as a tie-breaker. Procedures for balloting by mail shall be established to assure the secrecy of each member's vote.
- 5.11.7 Elections. Elections to fill Board of Directors vacancies will be held annually during the second quarter of each year. The Board of Directors shall announce the results as soon as practical after the election. Newly elected Board members shall take office at the first regular or special meeting of the Board of Directors following their election.

ARTICLE VI. OFFICERS

- 6.1 Officers. The officers of the ILR shall be a president, a vice president, a secretary and a treasurer elected from the Board of Directors. No two (2) offices may be held by the same person with the exception of secretary and treasurer.
- 6.2 Election and Term of Office. The officers of the ILR shall be elected annually by the Board of Directors to hold office until his or her successor shall have been duly elected.
- 6.3 Removal. Any officer may be removed from office by vote of the Board of Directors whenever, in its judgment, the best interests of the ILR would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.
- 6.4 Vacancy. A vacancy in any office because of death, resignation, removal or disqualification may be filled by the Board of Directors for the remaining portion of the term of such office.
- 6.5 President. The president shall be the principal executive officer of the ILR and shall in general supervise and direct all of the business and affairs of the ILR. The president shall preside at all meetings of the Board of Directors. The president may sign with the secretary or any other proper officer of the ILR, contracts or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the Bylaws or by statute to some other officer or agent of the ILR; and in general, the president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

- 6.6 Vice President. In the absence of the president or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the president. The vice president shall perform such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.
- 6.7 Treasurer. The treasurer shall be responsible for overseeing all funds and securities of the ILR. The treasurer shall give reports on the financial condition of the ILR to the Board of Directors at their directors meetings and a full and comprehensive annual report of the financial standing and affairs of the ILR to the membership at the annual meeting. The treasurer shall perform such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.
- 6.8 Secretary. The secretary shall keep the official minutes of the meetings of the Board of Directors. The secretary shall see that all notices are given in accordance with the provisions of these Bylaws or as requested by law; be the custodian of the ILR's records, including current membership records, unless otherwise designated by the Board; and keep a register of the post office address of each director. The secretary shall perform such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors.

ARTICLE VII. COMMITTEES

- 7.1 Committees. The Board of Directors may create one (1) or more committees of the Board and appoint members of the Board to serve on them. Each committee must have two (2) or more directors who serve at the pleasure of the Board. The creation of a committee and the appointment of members to such committee must be approved by the greater of (i) a majority of all directors in office when the action is taken or (ii) the number of directors required by the Articles of Incorporation or these Bylaws. To the extent specified by the Board of Directors or in the Articles of Incorporation or these Bylaws, each committee of the Board may exercise the Board's authority. However, a committee of the Board may not (i) authorize distributions; (ii) approve or recommend to members, dissolution, merger or the sale, pledge or transfer of all or substantially all of the ILR's assets; (iii) elect, appoint or remove directors or fill vacancies on the Board or any of its committees; or (iv) adopt, amend or repeal the Articles of Incorporation or Bylaws of the ILR. Committees, to the extent provided by resolution of the Board of Directors, shall have and exercise the authority as specified by the Board of Directors. Except as otherwise provided in such resolution, members of each committee shall be members of the ILR. Any committee member may be removed by the Board of Directors whenever the Board of Directors shall determine that the best interests of the ILR shall be served by such removal. The designation and appointment of any committee and the delegation of this authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it, him or her by these Bylaws, the Articles of Incorporation or law.
- 7.2 Chair. One (1) member of each committee shall be appointed the chair of the committee with the approval of the Board of Directors.
- 7.3 Vacancies. Vacancies in the membership of any committee may be filled in the same manner as original appointments.
- 7.4 Quorum and Voting. Unless otherwise provided in the resolution of the Board of Directors designating a committee, the quorum and voting requirements of the committee shall be the same as the quorum and voting requirements of the Board of Directors.
- 7.5 Advisory Committees. In addition to the committees set forth in Section 7.1 above, the Board of Directors may, from time to time, create one (1) or more advisory committees which shall not have authority to act on behalf of the Board of Directors. Such non-binding advisory committees shall have as their primary purposes, the making of recommendations and rendering of advice to the Board of Directors as requested by the Board of Directors from time to time. The purpose, scope, duration, composition and other requirements of any such advisory committee shall be as established by resolution of the Board of Directors.

- 7.6 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or the rules adopted by the Board of Directors.

ARTICLE VIII. BOOKS AND RECORDS

The ILR shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members and the Board of Directors and shall keep at its principal office a record giving the names and addresses of the members entitled to vote. Subject to payment of a reasonable charge to cover the costs of labor and material for copies of documents provided to a member, any member or such member's agent or attorney shall be entitled to inspect and copy at a reasonable time and location specified by the ILR, any of the records of the ILR described in R.C.M. 35-2-906(5) if the member gives the ILR written notice of such request at least five (5) business days before the date upon which the member wishes to inspect and copy such records. Such member's demands shall be made in good faith for a proper purpose and shall describe with reasonable particularity, the purpose of the inspection and the records the member desires to inspect.

ARTICLE IX. INDEMNIFICATION

The ILR shall indemnify its Directors, officers, committee members and agents from any liability incurred while acting for or on behalf of the ILR to the fullest extent permitted by Montana law.

ARTICLE X. DISSOLUTION

- 10.1 Decision to Dissolve. The dissolution of the ILR shall be authorized by the Board of Directors with the approval of the members by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.
- 10.2 Payment of Liabilities and Distribution of Assets. Upon dissolution, all liabilities and obligations of the ILR shall be paid, satisfied and discharged, or adequate provisions shall be made therefor and then 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)(5) of the Internal Revenue Code. The specific organization(s) shall be chosen by the Board of Directors at the time of dissolution and approval by the members.

ARTICLE XI. AMENDMENT

Amendments to these Bylaws may be proposed by a petition signed by not less than five (5) percent of the members of the ILR or by the Board of Directors. The Bylaws may be amended upon approval by the members by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less. A copy of any proposed amendment of the Bylaws, including any recommendations of the Board of Directors, shall accompany any ballot for an amendment to the Bylaws.

APPROVED effective the ____ day of _____, _____.