

BYLAWS
for the regulation, except as otherwise provided by statute or its Articles of Incorporation,
FOR
CALIFORNIA WOOL GROWERS ASSOCIATION
a California nonprofit mutual benefit corporation

ARTICLE I. OFFICES

Section 1. PRINCIPAL OFFICE. The corporation's principal office shall be fixed and located at such place as the Board of Directors (herein called the "Board") shall determine. The Board is granted full powers and authority to change said principal office from one location to another.

Section 2. OTHER OFFICES. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE II. MEMBERSHIP

There shall be four classes of members of the corporation as follows.

Section 1. REGULAR MEMBERSHIP. Any person, partnership, or corporation that is actually engaged in the business of breeding, producing, maturing, feeding, or processing of sheep and/or goats, may become a regular member of the corporation by paying current member dues.

- A. Regular membership is a family membership and includes spouses and minor children living at home. Each membership shall have no more than one vote.
- B. Officers of a regular member corporation and partners in a regular member partnership may individually become regular members by paying at least the minimum dues for each member.
- C. No one regular member may represent more than five (5) percent of the total regular membership.

Section 2. FEEDER. Any regular member of the corporation who is engaged in feeding for all or part of the year, or any regular member owns or operates a feedlot may also become a member by paying current feeder dues. The feeder shall represent the interests of the commercial feeder members.

Section 3. ALLIED INDUSTRY MEMBER. Any person, firm, or corporation that is not engaged in the business of breeding, producing, maturing, or feeding of sheep and/or goats, but interested in the welfare of the California industry, may become a member of the corporation by paying the Allied Industry member dues. The following considerations apply:

- A. Allied Industry members may not hold office, serve as a Director, or vote.
- B. Employees of an Allied Industry member corporate and partners in an Allied Industry member partnership may become an Allied Industry member of the Association by paying at least the minimum Allied Industry member dues for each member.

Section 4. YOUNG MEMBERSHIP. Any person under 21 years of age or a full-time student who owns less than 99 head of sheep and/or goats and who has an active interest in the future of the California sheep and/or goat industry may become a young shepherd member. Young members may not hold office but a young member in good standing may be appointed as a

voting member of each standing committee.

Section 5. HONORARY MEMBERS. Those persons, firms, corporations or associations who, in the opinion of the Board of Directors, have performed services for the corporation or in behalf of the sheep industry warranting their appointment as Honorary Members.

Section 6. GOOD STANDING. A Member, in good standing, is defined as one whose dues for the current fiscal year of the corporation are paid.

Section 7. PRIVILEGES. Regular Members, Feeders, and Young Members shall be entitled to the following privileges:

- A. Voting as provided for in Section 3,
- B. Holding office as a Director or Officer,
- C. Receiving the California Wool Growers Association membership publications.

Section 8. VOTING RIGHTS. Each Regular Member, Feeders, and Young Member, shall be entitled to one vote. Voting shall be in person and not proxy; except that a partnership, corporation or estate or other entity may designate some officer or managing director to vote for the partnership, corporation, estate or entity. Members not in good standing are not entitled to vote. Honorary Members are not entitled to vote.

Section 9. CHANGE IN MEMBERSHIP STATUS.

A. The membership of any member shall terminate upon the occurrence of any of the following events:

- 1. Resignation of the member, but resignation shall not relieve the member of any obligation to the corporation.
- 2. Expiration of the membership year, unless application is made of membership and dues are paid for the succeeding membership year when the time and on the terms set by the Board of Directors of this corporation.
- 3. Expulsion pursuant to subsection B, below.

B. Before a member may be expelled, the following procedure shall be followed pursuant to section 7341 of the California Corporation Code:

- 1. Upon determination by the President or the Board of Directors that reasonable cause exists for consideration of expulsion of a member, notice shall be given to such member, personally or by first class mail addressed to the most recent address of the member as shown on the corporation's records, setting forth the reasons expulsion is to be considered. The notice shall be given or mailed at least fifteen (15) days prior to the date of the meeting of the Board of Directors to consider the expulsion, and shall state the time and place of the meeting and notify the member of his/her right to be heard.
- 2. The member shall be permitted to be heard personally or in writing before action is taken by the Board of Directors upon the expulsion question. The member may also present statements of others, orally or in writing on his or her

behalf.

3. Following the hearing, the Board of Directors shall decide whether or not the member has engaged in conduct seriously prejudicial to the interests of the corporation and should be expelled. The decision of the Board of Directors shall be final and shall be effective five days after the decision.

Section 10. ANNUAL DUES. Dues are due and payable each year, on the 1st day of the month in which the membership was originally established. The Board of Directors at the Annual Meeting will determine the dues amount, with notice in the Association newsletter.

Section 11. GOOD STANDING. Any member who shall be in arrears in the payment of any installment of fees, periodic dues, or assessments shall not be in good standing and shall not be entitled to vote as a member.

Section 12. DATE OF MEETINGS OF MEMBERS. A meeting of the members shall be held at a date to be set by the Board. This meeting shall be the Annual Meeting, and the Directors and Officers of the corporation shall be elected following nomination on the manner hereinafter set forth, but if such meeting is not held or if Directors and Officers are not elected thereat, they may be elected at any special meeting of the members held for that purpose. Special meeting of the members for any purpose or purposes may be called at any time by the President or at least five (5) Directors.

Section 13 PLACE OF MEETINGS. Meetings of members shall be held either at the principal office of the corporation or at any other place designated by the Board.

Section 14. NOTICE OF MEETINGS. Notice of each regular and special meeting of members shall be given to each member entitled to vote thereat personally, by mail, or electronic communication addressed to such member at the address, including email address, appearing on the books of the corporation. If such address is not shown, notices shall be deemed to have been given if sent by mail or other means of written and/or electronic communication addressed to the place where the principal office of the corporation is located. Such notices shall be sent not less than ten (10) days before each Regular or Special meeting, and shall specify the place, day and hour of the meeting and shall state the general nature of the business to be considered at such meeting and no other business shall be conducted. The notice of the Annual Meeting shall designate it as such.

Section 15. QUORUM. Fifty-five (55) percent of members present shall constitute a quorum at any meeting of members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the members, unless the vote of a greater number of voting by classes is required by law, by the Articles, or by these bylaws, except as provided in the following sentence. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 16. ADJOURNED MEETINGS AND NOTICE THEREOF. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the votes represented in person, but in the absence of a quorum (except as provided in Section 10 of this Article II) no other business may be transacted at such meeting. It shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken; provided, however, when any members' meeting is adjourned for more than forty-five (45) days or, if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of the meeting as originally called, whether annual or special.

Section 17. VOTING AT MEETINGS. All members shall have voting rights as herein above provided for in Section 3. Votes may be taken by voice, by show of hands, or by ballot. Members shall not have the right to cumulate their votes.

Section 18. ACTION WITHOUT MEETING. Subject to Section 7513 of the California Nonprofit Mutual Benefit Corporation Law, any action except election of directors which, under any provision of the California Nonprofit Mutual Benefit Corporation Law, may be taken at any regular or special meeting of members, may be taken without a meeting if the written ballot of every member is solicited, if the required number of signed approvals in writing, setting forth the action so taken, is received, and if the number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The record date for determining members entitled to cast written ballots pursuant to this Section 13, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited, whichever is first.

ARTICLE III. DIRECTORS

Section 1. RESPONSIBILITIES. The Board members represent their constituencies and set policy for the corporation. Board members shall perform their duties as a Director, in good faith and in a manner reasonable to be in the best interests of the Corporation and the membership and with such judgment as any prudent person. Specific responsibilities include, but are not limited to: communication with their constituents, providing reports for publications and newsletters, setting direction for the corporation, approving the budget, reviewing the performance and setting the salary of the Executive Director and conducting business in accordance with the Bylaws.

Section 2. NUMBER AND ELECTION. The authorized number of Directors of the corporation shall be not less than twenty (20) nor more than forty (40) until changed by amendment of the Articles of Incorporation or by a Bylaw duly adopted by the members amending this Section of ARTICLE III of the Bylaws. The Board will propose any changes in actual numbers of Board members and the stakeholder groups they will represent, prior to the annual meeting for action by the membership. Directors shall be elected at the Annual meeting of members or at a special meeting of the members, and shall serve until removal or their successors are elected.

Section 3. MEMBERSHIP. The Board shall include but is not limited to the following members:

A. Upon election or appointment to office, the President, Vice-President, Treasurer (three (3) total).

B. The Chairs of the Standing Committees.

C. Additional directors as deemed appropriate by the Board and approved by the membership, not to exceed the number of directors provided for in Article III, Section 2. Preference shall be given to nominations made by other recognized sheep organizations in California. An effort will be made to provide diversity in terms of geographic location and operation type.

D. Honorary Board Members: A Board of Director who has served four (4) or more terms will be eligible to be elected Honorary Board Member. Honorary Board Members shall be entitled to attend all meetings of the Association and to participate in discussions, except that that the Honorary Members shall be non-voting participants and will not be counted in the determination of a quorum at meetings. Honorary Members will be eligible to serve on any committee, but no more than one-third of the members of a committee may be Honorary Members. There will not be a limit to the number of Honorary Members eligible to serve.

E. All Directors must be members in good standing.

Section 4. TERMS. Board members will be elected for three (3) year terms, and may be re-elected to succeed themselves with approximately one-third of the positions coming up for election each year. Effective with this Bylaw change, the Board will determine which persons will initially have one (1), two (2), and three (3) year terms.

Section 5. POWERS. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the articles of incorporation and these Bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. Each Director shall perform the duties of Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 6. REGULAR MEETINGS. A regular meeting shall be held in conjunction with the Annual Meeting of members. Additional regular meetings of the Board of Directors shall be held each year on call of the President in December and March. If the meeting is held prior to the Annual Meeting, it shall be recessed until after the adjournment of the Annual Meeting to complete organization of the new Board. Meeting locations, dates and times, and a general agenda will be made available to the general membership to encourage any and all members to attend.

Section 7. SPECIAL MEETINGS. Special meetings of the Board for any purpose or purposes may be called at any time by the President or, if he or she is absent or unable to, or refuses to act, by any five (5) Directors. Such meetings may be held either in the principal office or at any place

designated from time to time by the President or the consent of five (5) Directors.

Section 8. NOTICE. Notice of the time and place of meetings shall be given personally to the Directors or sent to each Director by mail, electronic communication, or other form of written and/or electronic communication, charges prepaid, addressed to the Director as shown upon the records of the corporation. In case such notice is mailed or sent by some other form of telecommunication or electronic communication, the notice shall be sent at least ten (10) days prior to the time of the holding of said meeting.

Section 9. ATTENDANCE AT MEETINGS. If a Director fails to attend three (3) consecutive meetings of the Board of Directors without leave of absence, his/her office as a director will be declared vacant. If a Director does not attend at least two (2) of the last eight (8) consecutive meetings of the Board of Directors, with or without a leave of absence, his/her office shall be declared vacant. In the event of a vacancy for any cause in the office of a director, the remaining Directors by majority vote of all the remaining Directors may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant, and until the election and qualification of a successor.

Section 10. QUORUM. The presence of the President or First Vice President and nine (9) other Directors shall constitute a quorum at all Board of Directors' meetings. A majority vote of the Directors present at such meetings shall be sufficient to transact any business, except for the purpose of revising membership dues assessments. Every act or decision done or made by a majority of the Directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation or by these Bylaws.

Section 11. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board, individually or collectively, consent in writing to that action. Such written consents shall be filed with the minutes of the meetings of the board.

Section 12. TELEPHONE/TELECOMUNICATION MEETINGS. Members of the Board may participate in a meeting through use of telephone or other electronic communication equipment, so long as all members participating in such meeting are connected to one another. Each director that is connected must be able to receive all other participants' communication and have their communication viewed or heard by all other participants.

Section 13. NOTICE OF ADJOURNED MEETINGS. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

ARTICLE IV. COMMITTEES

Section 1. STANDING COMMITTEES. The Board of Directors shall establish such standing committees, as they deem necessary. The President shall make recommendations for committee chairpersons, with final approval and appointment by the Board of Directors. Chairpersons serve at the pleasure of the Board. The respective chairpersons shall make recommendations for

committee members, with final approval and appointment by the Executive Committee. The Board may establish operating rules for standing committees. Standing committees shall include, but not be limited to, the following:

- A. Finance/Budget Committee,
- B. Member Services,
- C. Legislative/Government Affairs Committee,
- D. Communication Committee,
- E. Production, Education and Research Committee (PERC),
- F. Ram Sale Committee
- G. Trust Fund Committee, and
- H. California Guard Dog Fund Committee
- I. Labor Committee

Section 2. EXECUTIVE COMMITTEE. The Executive Officers of CWGA will consist of an: Elected President, Vice President, Treasurer, as well as a Member at Large appointed by the President and approved by the Board of Directors and the elected officers. The Chairs of the remaining seven (7) Standing Committees plus the Executive Officers will make up the Executive Committee. The Executive Director shall be an ex-officio non-voting member of the committee. During periods when the Board of Directors is not in session, the Executive Committee is authorized to act for the Board of Directors in any matters affecting the Corporation, which in the opinion of the Executive Committee shall require immediate attention. All actions of the Executive Committee shall be reported to the Board of Directors at its next meeting. Meeting of the Executive Committee may hold meetings in the same manner as the Board of Directors.

Section 3. FINANCE/BUDGET COMMITTEE. The Treasurer of the corporation shall be the Chairperson. The responsibilities of the committee shall include but are not limited to: overseeing the budget process and presenting a consolidated budget to the Executive Committee and then to the Board of Directors for approval, annual financial planning for the corporation; tracking expense; recommending any adjustments needed during the year to ensure the appropriate year-end financial position is attained, and working closely with the Member Services Committee to focus on future year's financial plans.

Section 4. MEMBER SERVICES COMMITTEE. The responsibilities of the committee shall include but are not limited to: coordinating all aspects of fundraising for the corporation, including internal revenue generation from membership and attendees at sponsored functions, external revenue generation from outside sources, reviewing existing revenue generation strategies for effectiveness, and working with the Treasurer and Finance/Budget Committee to amend and develop new and enhanced funding approaches.

Section 5. LEGISLATIVE/GOVERNMENT AFFAIRS COMMITTEE. The responsibilities of the committee shall include but are not limited to: the organizational structure and relationships the corporation will use to accomplish its lobbying activities. These would include the following: developing and maintaining the grass roots structure for involvement at the local level, developing and maintaining appropriate alliances and liaisons with other organizations to form effective lobbying partnerships when needed, monitoring and analyzing state and national issues to keep members informed, and working with the officers and leadership to develop the

most effective strategies for dealing with issues that affect the membership.

Section 6. COMMUNICATION COMMITTEE. The responsibilities of the committee shall include but are not limited to: assisting the Executive Director with the development and composition of newsletters and a web page, developing a communication strategy to serve the member's needs, to evaluate and utilize, when appropriate, available technologies for communicating effective with members, assisting the Executive Director and Board of Directors in developing a schedule of district reports to be included in the newsletter, and maintain close coordination with the Legislative/Government Affairs and Members Services Committees and the Board of Directors' to ensure the communication aspects of their responsibilities are accomplished.

Section 7. PRODUCTION, EDUCATION & RESEARCH COMMITTEE. The responsibilities of the committee shall include but are not limited to: assisting the Executive Director with convention and workshop planning and delivery, activities and efforts relating to animal health, product promotion, producer and consumer education, and research that would benefit California sheep and goat producers. The committee will serve as the primary liaison between the corporation and the California Sheep Commission.

Section 8. RAM SALE COMMITTEE. The responsibilities of the committee shall include but are not limited to: organize and plan sale logistics, develop and review consignor rules, review entries and make the final allotments, appointment a Quality Sifting Committee and Health Sifting Committee, and assist the Executive Director in the management and planning of the sale.

Section 9. TRUST FUND COMMITTEE. The Trust Fund Committee shall exercise control and management over the Reserve Funds. The committee shall invest, manage and protect the same to the best interests of the Association. Up to one hundred percent (100%) of the net income from such funds shall be transferred to the Operating funds of the Corporation annually. The Board of Directors may request from the trustees all or a portion of the principal. The Trust Fund Committee must then meet and return a decision to the Board of Directors within a time period specified by the Board of Directors, but that request cannot be less than thirty days. The Trust Fund Committee will then report their decision to the membership at the next membership meeting where a two-thirds majority vote of the voting members shall be required to release the funds.

The Trust Fund Committee shall consist of five (5) Trustees, one of who shall be elected each year for a term of four (4) years and the remaining member being the Vice President of the Corporation who shall serve as the chair. Trustees may be re-elected to succeed themselves. The Trustees may or may not be members of the Board of Directors. The President of the Corporation is prohibited from serving on the trust fund committee. Election shall be by the membership at the annual membership meeting. In the event of the death, resignation or removal for cause of any Trustee, a successor Trustee to fill the unexpired term shall be elected at the next annual membership meeting.

Section 10. CALIFORNIA GUARD DOG FUND COMMITTEE.

The specific purpose of the California Guard Dog Fund is to support and engage in legal and

legislative activities related to sheep, livestock, and agriculture in California. The California Guard Dog Fund Committee shall exercise control and management over the California Guard Dog Fund. The committee shall invest, manage and protect the best interests of the Association. The California Guard Dog Fund Committee shall provide advice and recommendations to the Board but shall not have the authority of the Board or any final decision-making authority.

The authority of the California Guard Dog Fund Committee shall include (i) the review of and recommendation to the Board of Directors to engage in or support litigation or to submit amicus curiae briefs in one or more lawsuits related to the defense of human and civil rights and the conservation of natural resources and protection of property rights in the United States guaranteed by statute and under the United States Constitution, (ii) the institution or funding of litigation, whether civil, criminal, administrative, or investigative, including all appeals, and (iii) such other efforts as the California Guard Dog Fund Committee may determine would further these principles of interest to the public.

The California Guard Dog Fund Committee shall not recommend engaging in or supporting litigation or the preparation of any amicus curiae briefs or funding of any litigation on behalf of the corporation unless the California Guard Dog Fund Committee first determines that submission of the brief or funding of litigation may assist in setting a legal precedent in furtherance of the corporation's purposes and of legitimate interest to the general public.

The California Guard Dog Fund Committee shall not recommend the commencement of litigation unless it first determines that, if the corporation were to prevail in the litigation, the potential exists to further important principles of legitimate interest to the corporation and the general public. The California Guard Dog Fund Committee shall not recommend the commencement of litigation in the name of the corporation unless the California Guard Dog Fund Committee determines that the corporation is more likely than not to have legal standing to commence a suit.

No substantial part of the activities of this fund shall consist of carrying on propaganda and the fund shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office. The property of this corporation is irrevocably dedicated to legal and legislative purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director or officer, or to the benefit of any private person.

The California Guard Dog Fund Committee shall consist of five (5) members, one of who shall be elected each year for a term of four (4) years and the remaining member being the Vice President of the Corporation who shall serve as the chair. Members may be re-elected to succeed themselves. The members may or may not be members of the Board of Directors. All members must be regular voting members of the California Wool Growers Association and be dedicated to the purposes of this corporation as set forth above.

The President of the Corporation is prohibited from serving on the California Guard Dog Fund committee. Election shall be by the membership at the annual membership meeting. In the event of the death, resignation or removal for cause of any member, a successor member to fill the unexpired term shall be elected at the next annual membership meeting.

If the Board votes in favor of dissolving the California Guard Dog Fund Committee, any assets remaining after payment, or provision for payment, of all debts and liabilities shall be distributed to the Operating funds of the Corporation.

Section 11. LABOR COMMITTEE. The responsibilities of the committee shall include but are not limited to: reviewing legislation, regulation, and policy related to all labor issues, including wages, working conditions, and immigration policy, at the local, state and federal levels. The committee will recommend policies and actions to the board of directors and will work closely with the Legislative/Government Affairs Committee to engage policymakers at the appropriate level.

Section 12. SPECIAL COMMITTEES. The President or the Board of Directors may appoint such special or ad hoc committees, as they deem necessary or desirable. These will include, but not be limited to, an ad hoc Nominating Committee appointed prior to the Annual Meeting. The chairperson of each committee shall be designated by the President. Members of such committees may be appointed by the President or Board of Directors for their special expertise and need not be members.

Section 13. DUTIES OF THE CHAIR. The person designated to chair a committee, standing or special, shall have in addition to their duties and responsibilities as a committee member, these particular responsibilities:

- A. Call the committee to meet as needed and assure that adequate notice is given.
- B. Preside at all committee meetings.
- C. Report on the work of the committee and deliver committee recommendations as required by the President or Board.

ARTICLE V. ELECTION PROCEDURES

Section 1. NOMINATIONS. At least ninety days (90) prior to the Annual Meeting of Members, the President shall appoint a Nominating Committee of not less than five (5), three (3) of whom shall have been presidents or Directors of the corporation. The chairman shall be a past president. Nominations made by the committee must be delivered to the Executive Director at least thirty (30) days before the Annual Meeting. The Nominating Committee shall:

FIRST: Solicit nominations from the general membership and nominate a minimum of one (1) person for each of the offices of President, Vice-President, and Treasurer.

SECOND: Solicit nomination from the general membership and nominate a minimum of one (1) person for each Board of Directors position that is up for election that year. An effort will be made to provide diversity in terms of geographic location and operation type.

THIRD: Nominate a minimum of one (1) person for each vacant seat on the Trust Fund Committee.

After the Nominating Committee has presented their slate of officers and Board of Directors at the annual membership meeting, the presiding officer shall call for additional nominations from the floor.

Section 2. AMERICAN SHEEP INDUSTRY ASSOCIATION DIRECTORS. The number of Directors that will represent California may vary according to the formula found in the Standing Rules of the American Sheep Industry Assn. The Directors that will represent California on the American Sheep Industry Association Board of Directors will therefore be selected in a Board of Directors meeting within the guidelines of this section.

Meeting Notice. A public notice through the California Wool Growers Association official publication or other method of communication to the general sheep producer population within California shall be made which gives the time, date and location of meeting where the ASI Board of Director selection will take place.

Qualifications. Each nominee must a breeder, producer or feeder of sheep. The presiding officer shall take nominations from the floor at the meeting where the selection is made. The following shall, by virtue of their leadership position, be automatically selected: President, First Vice-President.

ARTICLE VI. OFFICERS

Section 1. RESPONSIBILITY. All officers are subordinate and responsible to the Board.

Section 2. NUMBER AND SELECTION. The officers of the corporation shall be a President, Vice-President, and a Treasurer and an Executive Director. The corporation may also have such other officers as may be appointed in accordance with the provisions of this section. One person may hold two or more offices except those of President and Executive Director. The term of office of its President, Vice-President and Treasurer shall be for one (1) year, provided that any officer may be re-elected to succeed themselves, for a maximum of two (2) consecutive terms, beginning with their election by the members. Each shall hold office until they shall resign, or shall be removed by the members or otherwise disqualified to serve or until their successor is elected and qualified. The Board shall determine each year whether to renew the incumbents' appointment for another year or appoint a new individual. The Board may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period and have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine. All officers except the Executive Director shall be members when elected or appointed.

Section 3. DUTIES OF THE PRESIDENT. The President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have supervision, direction, and control of the business and affairs of the corporation. The President shall preside at all meetings of the Board and of the membership. The President shall be ex officio a member of all the standing committees and shall have the general powers and duties as may be prescribed by the Board of Directors or by the Bylaws. The President is hereby authorized to exercise any right to vote or execute a proxy to vote shares of stock of, and bonds, debentures, or other evidences of indebtedness of, any other corporation or corporations owned or possessed by this corporation.

Section 4. DUTIES OF THE VICE-PRESIDENT. The Vice-President shall assist the President in the performance of his or her duties. The Vice-Presidents shall, in the absence or

disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe. The Vice-President positions would normally represent the line of succession to the Presidency.

Section 5. DUTIES OF THE EXECUTIVE DIRECTOR. The Executive Director shall be the Secretary of the corporation. This person shall be under the authority of the Board of Directors and under the direct supervision of the President and shall conduct the daily management of the affairs of the Corporation. The Executive Director shall have the authority to fill an Administrative Assistant position, with the approval of the Board, to assist in running the corporation and act as recording secretary for all Board meetings, and such other positions as may be authorized by the Board of Directors and to set the salaries within guidelines established by the Board. All such employees shall be under the supervision and direction of the Executive Director. The Executive Director shall be hired by, or under specific grant of authority from, the Board of Directors in accordance with procedures as established by the Board. Any employment agreement shall be for one (1) year. The Executive Director shall be the Secretary for the Board and keep or cause to be kept at the principal office of the corporation, or such other place as the Board of Directors may order, a book of minutes of all meetings of Directors and members. The Executive Director shall also keep or cause to be kept at the principal office of the corporation a record of the membership, containing the names and addresses of each member, and in any case where membership has been terminated such fact shall be recorded. The Executive Director shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or the Bylaws.

Section 6. DUTIES OF THE TREASURER. The Treasurer shall be the Chief Financial Officer and shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and the business transactions of the corporation, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer or a person designated by the President may deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as ordered by the Board of Directors and shall render to the President and the directors, annually and upon request, an account of all transactions as Treasurer, and of the financial condition of the corporation. The Treasurer shall provide the leadership in developing the annual budget, in collaboration with the members of the Finance/Budget Committee. The Treasurer shall also serve as the Chair of the Finance/Budget Committee. The Treasurer shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or the Bylaws.

ARTICLE VII. PROPERTY INTERESTS

Section 1. PROPERTY INTEREST UPON TERMINATION OF MEMBERSHIP. If any member shall cease to be such, any interest he or she shall have in and to the property, assets and privileges of the corporation shall cease and revert to the corporation and such cessation of membership shall operate as a release and assignment.

ARTICLE VIII. LOCAL ASSOCIATIONS

Section 1. ORGANIZATION OF LOCAL ASSOCIATIONS. Local Wool Growers

Associations shall be an integral part of this corporation. A local association may be organized when not less than ten (10) voting members present a written application to the Board of Directors, and the Board of Directors approves the formation of a local association.

Section 2. OFFICERS. The voting members of the local association shall each year elect a President, a Vice President, a Secretary and a Treasurer, each of whom shall be a voting member of this corporation. The election shall be held prior to the annual meeting of this corporation at a time and place to be fixed by the members of the local association. The President shall preside at all meetings of the local association. The Vice-President shall act in the absence of the President. The Secretary shall give notices and keep minutes of meetings, and shall furnish a copy of all minutes to the Executive Director of this corporation. The Treasurer shall maintain all funds and property of the local association, and furnish an annual financial report to the Treasurer of this corporation.

Section 3. MEETINGS. There shall be no prescribed number of meetings.

Section 4. FINANCES. Unless such authority is specifically withheld or withdrawn by the Board of Directors of this corporation, each local association may establish local dues, maintain a bank account, and handle its own financial affairs; provided that the Treasurer of the local association shall furnish a statement of the local association's financial affairs to the Treasurer of this corporation in a form and at a time prescribed by the Treasurer of this corporation.

Section 5. DISSOLUTION. The Board of Directors of this corporation may declare a local association dissolved upon this Board's determination that the local association has ceased to function. Such determination of the Board of Directors shall be conclusive. Notice of consideration of dissolution of a local association shall be given to each known sheep producer in the affected area of the local association at least 20 days in advance of the meeting at which it is to be considered. Upon determination that a local association is dissolved, all funds and property held by the local association shall be transferred to this corporation where it shall be kept segregated for a period of one year for use in re-establishing the local association. One year after a declaration that a local association is dissolved, if the local association has not been re-established, all funds and property transferred from the local association shall be added to the operating funds and property of this corporation.

ARTICLE IX. OTHER PROVISIONS

Section 1. ANNUAL REPORT. Within 120 days after the end of the fiscal year, the corporation shall notify each voting member of the member's right to receive a financial report pursuant to section 8321 of the California Corporation Code.

Section 2. INSPECTION OF CORPORATE RECORDS. The accounting books and records and minutes of proceedings of the members and the Board and committees of the Board shall be open to inspection upon written demand on the corporation of any member at any reasonable time for a purpose reasonably related to such person's interests as a member.

Section 3. ENDORSEMENT OF DOCUMENTS; CONTRACTS. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other

instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chairman of the Board, the President or any Vice President, and the Treasurer or any Assistant Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent, or employee shall have 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 amount.

Section 4. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 5. CONSTRUCTION AND DEFINITIONS. Unless the context otherwise requires, the general provision, rules of constructions, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws.

Section 6. LIMITATION OF LIABILITY. Members of the Board of Directors, appointed or elected members of any committees, members in good standing and employees of the Board which serve pursuant to these bylaws shall not be held responsible individually in any way whatsoever to any producer, or any other person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, person or employee, except for their own individual acts of dishonesty or crime. No members of the Board of Directors, appointed or elected members of any committees, members in good standing or employees of the Board shall be held responsible individually for any act or omission of any other member, employee of the Board, or committee member. The liability of the members, employees of the Board, and committee members shall be several and not joint and no one shall be liable for the default of any other person.

ARTICLE X. INDEMNIFICATION

The Board of Directors may, at its discretion, and to the extent allowed by law:

1. Authorize the corporation to indemnify its present and former directors, officers, employees, and other agents against damages and liabilities, including court costs, attorneys' fees, expenses, judgments, fines, settlements or other amounts actually and reasonably incurred in the course and scope of their employment or duties on behalf of the corporation or arising out of their status as such directors, officers, employees, and other agents in connection with any threatened, pending or contemplated action, suit, or proceeding, whether civil, criminal, administrative or investigative, as permitted by section 7237 of the California Corporations Code; and

2. Authorize the purchase of insurance on behalf of such persons for the foregoing purpose.

ARTICLE XI. AMENDMENT OF BYLAWS

Section 1. GENERAL MEETING MANAGEMENT. All meetings of the California Wool Growers Association will be run in accordance and under the guidelines of Roberts Rules of Order.

Section 2. GENERAL AMENDMENT. These Bylaws may be amended or repealed and new Bylaws adopted by a majority vote of the voting members present at a meeting of members, by a majority vote of the authorized member of directors at a meeting of the Board of Directors provided that a notification of amendment containing the substance of the proposed amendment has been sent to each director at least ten (10) days in advance of the action.

Section 3. CHANGING NUMBER OF DIRECTORS. A Bylaw fixing or changing the number of Directors may only be adopted, amended or repealed by a majority vote of the voting members present at a meeting of members.

Section 4. CHANGING TRUST FUND COMMITTEE. A Bylaw changing any portion of Article IV, Section 9 (Trust Fund Committee) may only be adopted, amended or repealed by a majority vote of the voting members present at a meeting of members.

CERTIFICATE OF SECRETARY OF CALIFORNIA WOOL GROWERS ASSOCIATION, a California nonprofit corporation

I hereby certify that I am the duly elected and acting Secretary of said corporation and that the foregoing Bylaws, comprising 15 pages, constitute the Bylaws of said corporation as duly adopted at a meeting of the Board of Directors thereof held on September 15, 1988 and most recently amended August 15, 2020.

Jay B. Wilson, Secretary