

**AMENDED BYLAWS OF
RANCHERS CATTLEMEN ACTION LEGAL FOUNDATION
RENAMED HEREIN
RANCHERS CATTLEMEN ACTION LEGAL FUND
UNITED STOCKGROWERS OF AMERICA
(R-CALF USA)
A NONPROFIT PUBLIC BENEFIT CORPORATION**

ARTICLE I – General Information

Section 1. Name

The name of this corporation is the Ranchers Cattlemen Action Legal Fund United Stockgrowers of America, a public benefit corporation organized under the Montana Nonprofit corporation Act, Montana Statute sections 35-2-113 *et sec.* For purposes of these Bylaws, the words “Association” and “Corporation” each refer interchangeably to Ranchers Cattlemen Action Legal Fund United Stockgrowers of America.

Section 2. Principal Business Office and Official Registered Office

The Corporation’s principal office for the transaction of the business of the Corporation and the Corporation’s official registered office in the state of Montana shall be located in Yellowstone County, 115 South 18th Street, PAYS Exchange Building, Billings, Montana, The Board of Directors (hereinafter the Board) is granted full power and authority to change the location of said principal business office and official registered office in the state of Montana through amendment of these Bylaws, except that relocation of the principal office and official registered office within Yellowstone County, Montana shall not be deemed an, nor require, amendment of these Bylaws.

Section 3. Other Offices

To facilitate administration of the Corporation, the Board may establish branch or subordinate offices and establish and maintain post office boxes at any place or places.

ARTICLE II – NONPROFIT PURPOSES

Section 1. Purpose

The purpose for which the corporation is organized shall be to address the market interest of U.S. cattle producers with the primary purpose of addressing the threats posed to the domestic live

cattle industry by unfair and illegal trade practices and imports. The corporation may address national and international issues which affect the profitability of U.S. cattle producers.¹ The corporation may do all and everything necessary, suitable and proper for the accomplishment of said purposes or the attainment or furtherance of any of the powers herein mentioned, either alone or in association with any other act or acts, thing or things, incidental or appurtenant to, or growing out of, or connected with the said purposes or powers, or any part or parts thereof, provided that the same be not inconsistent with its qualification as an organization described in Internal Revenue Code section 501(c)(6). The corporation shall not discriminate on the basis of race, color, national or ethnic origin, sex, or religion.

Section 2. Tax Exempt Status

The Association shall at all times be operated to establish and maintain tax exempt status as an organization to promote the common business interests of the domestic cattle industry within the confines of Section 501(c)(6) of the Internal Revenue Code, or the corresponding section of any future tax code.

ARTICLE III --- MEMBERS

Section 1. Classes and Qualifications of Members

The association hereby establishes two classes and qualifications of its membership as follows:

A. Members:

1. Members shall be U.S. residents who own cattle. Each member shall have one vote in setting policy and electing directors.
2. Members shall have the right to attend the Association's annual meeting, directors meetings, and any other public meeting or convention sponsored by the Association.
3. Membership dues shall be set by the Board of Directors.

B. Associate Members:

Associate membership shall be available to all affiliated businesses and shall be classified in categories and dues set annually by the Board of Directors.

¹ The preceding sentence was inserted into the by-laws as an amendment by an affirmative vote of two-thirds of the number of members then voting in 2005.

Section 2. Admission of members and Associate members

- A. Membership in the Association shall be available without regard to race, color, creed or national origin.
- B. Prospective members and Associate members of the Association shall file an application for membership or Associate membership with the Secretary of the Association. All applications for members shall be in writing on a form prescribed by the Association's Board of Directors and shall state the name, business, and business address of each applicant. Membership shall be open and unrestricted to any person who owns domestic cattle. The applicants for membership shall agree to be bound by the Articles of Incorporation and the Bylaws of the Association.

Section 3. Rights of Members

- A. Subject to the provisions of the Restated and Amended Articles of Incorporation, Members shall have the right to participate in the governance of the Association in the following manner:
Members shall have the right to vote for the election of directors and to set corporation policy by majority vote.
- B. Members shall have the right to amend Bylaws pursuant to Article XVII.

Section 4. Associate Members

Associate members shall have the right to attend the Association's annual meeting of members and any other public meeting or convention sponsored by the Association.

Section 5. Termination of Membership

The Board of Directors, by affirmative vote of two-thirds of all the Directors of the Association, may suspend or expel a member for cause after an appropriate hearing, and may terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default of the payment of dues.

Section 6. Resignation

Any member may resign by filing a written resignation with the Secretary.

Section 7. Transfer of Membership

Membership in the Association is not transferable or assignable.

Section 8. Dues

The Board of Directors of the Association may determine from time to time the amount of annual dues, if any, payable by the members of the Association. Special dues assessments may be levied upon the approval of the Board of Directors where such additional assessments are necessary for furthering the exempt purposes of the Association.

ARTICLE IV – DIRECTORS

Section 1. Numbers of Directors, Director Regions, and Terms of Office

The Board of Directors shall consist of at least ten (10) persons representing ten (10) regions as follows:

- A. Region I shall consist of Washington, Alaska, Oregon, Idaho and Montana, and the director shall serve an initial three-year term.
- B. Region II shall consist of Wyoming, Utah and Colorado, and the director shall serve an initial three-year term.
- C. Region III shall consist of North Dakota, South Dakota and Nebraska. The director shall serve an initial three-year term.
- D. Region IV shall consist of Arizona and New Mexico. The director shall serve an initial two-year term.
- E. Region V shall consist of Texas. The director shall serve an initial two-year term.
- F. Region VI shall consist of Kansas, Oklahoma, and Missouri. The director shall serve an initial two-year term.
- G. Region VII shall consist of Minnesota, Iowa, and Wisconsin. The director shall serve an initial one-year term.
- H. Region VIII shall consist of West Virginia, Kentucky, Tennessee and Ohio. The director shall serve an initial one-year term.
- I. Region IX shall consist of Florida, Georgia, and Alabama. The director shall serve an initial one-year term.
- J. Region X shall consist of the areas of the country on which cattle are produced by members of native tribes of the United States. The board of director representing this region shall be selected by the Intertribal Agricultural Council.
- K. Region XI shall consist of California, Nevada and Hawaii. The director shall serve an initial three-year term.
- L. Region XII shall consist of Arkansas, Louisiana and Mississippi. The director shall serve an initial three-year term.
- M. Region XIII shall consist of Maryland, Virginia, North Carolina and South Carolina. The director shall serve an initial two-year term.
- N. Region XIV shall consist of Illinois, Indiana and Michigan. The director shall serve an initial two-year term.
- O. Region XV shall consist of Maine, Vermont, New York, New Jersey, Massachusetts, Connecticut, New Hampshire, Pennsylvania, Delaware and Rhode Island. The director shall serve an initial one-year term.

Section 2. Terms

Subsequent to the initial terms set forth herein the directors shall be elected by the majority vote of the regional membership and shall serve three-year terms. No director may serve more than two consecutive terms.

Section 3. Nomination and Election of Directors

A. The initial Directors shall be appointed by the founding Board of Directors and at the expiration of that initial term shall be nominated and selected by members as set forth below.

B. Upon the expiration of a director's term or upon a vacancy each region shall be responsible for nominating nominees who reside within the district. Further nominations will be taken from the floor at the annual meeting. In addition, any member may petition to be nominated by forwarding a letter to the Board of Directors making such a request.

C. Nominations for each region described in Section 1 above shall be presented, on a mail-back ballot, only to the voting members within the nominees' region. Pursuant to Section 2 above, the elected director must win by a majority vote. If necessary, a run-off election between the top two vote-getters will be conducted immediately by the same process. In the event of a tie, those two nominees alone will be presented to the regional voting membership for the deciding vote through the use of a mail-back ballot. All voting is to be completed within forty-five (45) days of the annual meeting, except that if a tie-break is necessary, another fifteen (15) days shall be added to this vote completion deadline.

D. Each district shall form a nominating committee to assure that nominees will be presented to the membership for consideration.

Section 4. Change of Number of Directors

The voting members by two-thirds majority vote (of those members voting) may through the amendment of these Bylaws change the number of directors and/or regions.

Section 5. Qualification of Directors

Directors must be members in good standing of the Association and reside in the region that they represent.

Section 6. Removal from Board or Term

Upon the affirmative vote of at least two-thirds of the number of directors then serving in office as directors, the Board may remove any director from the Board with cause; provided, however, that each director shall be given at least fourteen (14) days prior notice that a vote to remove a director from office is proposed at a meeting of the Board. Reasons for removal for cause

include the following: (i) repeated unexcused failure to attend meetings, (ii) refusal or incapacity to act as a director, (iii) acting or failing to act in such a manner so as to subject the Corporation to possible loss of its tax exempt status, (iv) acting in a manner inconsistent with duties imposed by the Articles of Incorporation, these Bylaws, or law.

Section 7. Vacancies

Whether by death, resignation, or removal, vacancies on the Board of Directors shall be filled by a person elected or appointed by the affirmative vote of the majority of the remaining directors of the Board.

Section 8. Resignations of Directors

Subject to the Articles of Incorporation, these Bylaws, and provisions of law, a director may resign by giving written notice to the Board, its presiding officer, the President, or the Secretary. Such written notice of resignation shall be given either manually or by facsimile. The resignation shall be effective when the notice is effective, unless by its terms the notice states a later effective date.

Section 9. Conduct of Business and Powers

Subject to the limitations of the Articles of Incorporation, these Bylaws, and provisions of law, the activities and affairs of the Corporation shall be exercised by or under the management of the Board. The Board may delegate the management of the Corporation's activities to any committee, officer, employee, or any other person; provided, however, that the ultimate management and control of the Corporation's activities and powers shall always be exercised under the direction of the Board.

Without prejudice to the Board's powers, but subject to the same limitations, the Board shall have the following powers in addition to other powers enumerated or otherwise permitted by the Articles of Incorporation, these Bylaws, or laws:

- A. To set the Corporation's policies and make rules and regulations not inconsistent with law, the Articles of Incorporation, or these Bylaws, which it deems necessary or convenient to effectuate the purposes of the Corporation, subject to the policies set by the membership under Article XVIII;

- B. To adopt, make and use a corporate seal, logo, or trademark and to alter the form of said seal, logo, or trademark from time to time as it deems appropriate;
- C. To establish such committees as it deems appropriate;
- D. To establish official or unofficial subsidiary organizations or entities as it deems appropriate; provided, however, that no such subsidiary shall undertake activities inconsistent with the Corporation's purposes or in derogation or jeopardy of the Corporation's tax exempt status under section 501(c)(6) of the Internal Revenue Code or a corresponding section of a future federal tax code;
- E. To select and remove persons to serve as officers, agents, and employees of the Corporation and to prescribe powers and duties for said persons not inconsistent with the Articles of Incorporation, these Bylaws, or law. When permitted, the Board shall fix reasonable compensation for said persons and require from them security for faithful service to the Corporation;
- F. To select and remove persons to serve as advisors or consultants to the Board and Corporation; provided, however that no advisor or consultant shall have power to vote on the Corporation's affairs.

Section 10. Voting

Each director shall have one (1) vote. Voting by proxy WILL NOT be allowed. A majority of the current directors shall constitute a quorum of the Board and be required for the conduct of Board business.

Section 11. Compensation

Directors shall not receive any salary or other financial compensation for their services as directors; provided, however, that a director may be compensated or reimbursed for actual, reasonable, and necessary expenses incurred in performance of their duties as directors.

Such expenses include, but are not limited to, travel and lodging expenses, mileage, and incidental expenses.

ARTICLE V – OFFICERS

Section 1. Corporation Officers

- A. The officers of the Corporation shall consist of a President and Vice-President of the Board of Directors and shall be selected by the Board from among their ranks. The President and Vice-President shall serve two-year terms.
- B. The Board is given authority and power to create and fill other officer positions when doing so is in the best interest of the Corporation.

Section 2. Duties of Officers

The Board shall describe the duties and powers of the Corporation's officers, subject to the following limitations:

- A. President: The President shall preside over all meetings of the Corporation. The President shall appoint any committee chairpersons and be an *ex officio* member of any committee.
- B. - Vice-President: The - Vice-President shall preside in the absence, removal, or disability of the President, or whenever the President vacates the chair, and in such instances shall have the powers and duties of the President.
- C. Secretary: The Secretary shall record the minutes of all meetings of the Board and shall submit the minutes for approval of the Board at the next meeting of the Board. The Secretary shall be responsible for authenticating the records of the Corporation. The Secretary shall be responsible for giving notice of Board meetings. The Secretary shall prepare and maintain other records as the Board deems necessary, except that the original copies of the Corporation's Articles of Incorporation and Bylaws shall at all times be kept in the Corporation's official registered office in the state of Montana.
- D. Treasurer: The Treasurer is the Chief Financial Officer of the Corporation. The Treasurer shall keep the financial accounts and records of the Corporation and shall maintain the funds of the Corporation in the manner authorized by the Board. The Treasurer shall prepare a financial statement quarterly for each officer, and shall prepare a semi-annual financial report for the entire Board and all officers. The Treasurer shall disburse funds as may be ordered by the Board. Withdrawal of funds from the Corporation's accounts shall be signed by both the Treasurer and President. The Treasurer shall prepare monthly fund raising reports for all Officers, and semi-annual reports of same for the entire Board and all officers.
- E. The Chief Executive Officer shall be selected by the Board and employed by R-CALF USA and will be responsible for those duties delegated to him by the Board of Directors.

Section 3. Removal from Office

Upon a majority vote of the Board, an officer may be removed from office whenever, in the sole discretion and independent judgment of the Board, the best interests of the Corporation will be served by removal. Neither election nor appointment of any officer shall, in and of itself, create any contract rights.

Section 4. Vacancies

Upon the death, resignation, disability, or removal of any officer, the Board shall appoint the successor to such office until the next scheduled election of officers.

Section 5. Resignation of Officers

An officer may resign from office by giving written notice to the Board, its presiding officer, the President, or the Secretary. Such written notice of resignation shall be given either manually or by facsimile. The resignation shall be effective when the notice is effective, unless by its terms the notice states a later effective date.

ARTICLE VI – CONTRACTS AND INSTRUMENTS

Section 1. Authority to enter contracts

Subject to the limits of the following section of this Article of these Bylaws, the Board may authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument on behalf of and in the name of Corporation, and such authority may be general or confined to specific circumstances.

Unless so authorized, no officer, agent, employee, or advisor of the Corporation shall have the ability or authority to bind the Corporation to any contract, agreement, settlement, or instrument, subject, however to the provisions of M.C.A. 35-2-444 concerning the power of persons without authority to bind the Corporation to contracts and instruments.

Section 2. Instruments, Checks and Notes

Except as otherwise specifically authorized and determined by resolution of the Board, any checks, drafts, promissory notes, instruments, or other evidences of indebtedness of the Corporation shall, be approved by the President and be signed by the Treasurer.

ARTICLE VII – COMMITTEES

Section 1. Establishment of Committees

The Board may establish and dissolve standing and ad hoc committees at any time. Membership of such committees shall be as designated by the President and Vice-President; provided, however, that the President shall appoint the Chair of any committee and shall be an *ex officio* member of all committees.

All committees shall be comprised of at least one (1) director.

Section 2. Powers and Duties

All standing or ad hoc committees shall have the power to transact the business of the Corporation as necessary to complete the mandate given said committee upon its creation by the Board. All committee actions are subject to review by the Board at any Board meeting.

Section 3. Quorum

The participating members of any duly called and properly noticed meeting of any committee shall constitute a quorum for the transaction of the business of that committee.

Section 4. Meetings

Meetings of any committee may be held with or without notice as specified by the Board, and may be held by telephone conference call or other electronic communication, so long as all persons participating in the committee meeting have an opportunity to be heard. A committee member's participation via telephone or other electronic communication media shall constitute presence of that person at such meeting.

Minutes of committee meetings shall be kept in accordance with the provisions of Article IX, Section 5 of these Bylaws.

Section 5. Limitation of Authority

Any committee shall have only the power and authority given it upon creation by the Board; provided, however, that no delegation of authority to a committee shall be construed as negating, repealing, or overriding any provision of law, the Articles of Incorporation, or these Bylaws that

limit the authority of a director, officer, or any other person or that set forth specific requirements for specified actions.

Duly authorized committees may advise, but shall not exercise the authority of the Board in respect to the following matters:

- (a) Adoption, amendment, or repeal of the Articles of Incorporation, or these Bylaws;
- (b) Financial commitments or obligations, unless specifically authorized by the Board;
- (c) Election, appointment, or removal of any director, officer, or employee of the Corporation;
- (d) Approval or disapproval of salary and other compensation to be paid to a director for serving in another capacity to the Corporation;
- (e) Formulation of policy.

ARTICLE VIII – DEPOSITS, GIFTS, AND FUNDS

Section 1. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, mutual funds, securities, or other financial depositories in the manner provided by the Board.

Section 2. Gifts

The Board or any director or officer may accept on behalf of the Corporation donations, gifts, bequests, legacies, devises, or contributions of any kind of money or personal and real property for the general or specific purposes of the Corporation. Subject to the purposes for which donated or otherwise contributed to the Corporation, any such money or property received shall be deemed “funds” within the meaning of Section 1 above of this Article and treated accordingly.

ARTICLE IX – MEETINGS

Section 1. Annual Meeting of Members

The annual meeting of the members of the Association shall be held at such place and at such time as the Board of Directors shall designate, for the purpose of receiving the report of the Board of Directors and for the transaction of such other business as may properly come before the meeting.

Section 2. Notice of Annual Meeting of Members

Written or printed notice of every annual meeting of the members, stating the place, day, and hour of the meeting must be given to each member not less than ninety (90) days.

Section 3. Annual Meeting of Board of Directors

The Association shall hold an annual meeting of the Board of Directors at a location and time to be determined by the Board of Directors. If necessary, these meetings may take place via teleconference. At this annual meeting, the Board of Directors shall, at a minimum, hold any necessary elections to fill expiring or vacant director or officer positions, review the Corporation's annual operating and operating statement, and review and/or order preparation of any reports or statements required to be filed with local, state, or federal governmental agencies. The Board shall undertake any other matter it deems necessary upon proper placement on the meeting agenda.

Section 4. Other Meetings

Other meetings of the Board may be held at any time or place upon the call of the President, or the written request of three (3) directors.

Section 5. Procedures and Protocol of Meetings

The Board is authorized to hold meetings in person, via teleconference, videoconference, or any other form of electronic media, so long as each director can hear the spoken word of every director.

All meetings shall be conducted in observance of simplified rules of parliamentary procedure, so long as not in conflict with the Articles of Incorporation, these Bylaws, or law, Robert Rules of Order, Newly Revised.

Section 6. Action without Meeting

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws, or law, the Board is authorized to act without a meeting if all directors shall individually and collectively consent in writing to such action. Such consent or consents shall have the same effect as a vote of the Board and shall be filed with the minutes of the proceedings of the Board. The Board is not authorized to act without a meeting in regard to (a) removal of any director or officer; (b) approval

or disapproval of salary and other compensation to be paid to a director for serving in another capacity to the Corporation.

Section 7. Minutes of Meetings

The Board shall keep minutes of all meetings to include, but not limited to, the date of the meeting, the names of directors present, the topics discussed, the decisions reached or action taken by the target date for implementation of decisions or actions, and status reports of the Corporation's finances, activities, and programs.

The Secretary shall at all times be responsible for preparing and maintaining minutes of the Corporation's meetings, approved minutes shall be made available to any member upon request.

Section 8. Notice and Agenda

The Secretary shall give notice of the time and place of each meeting of the Board. The agenda and business to be discussed and transacted at the meeting shall be specified in said notice. Notices shall be issued to each Director fourteen (14) days prior to the meeting date. Notice may be waived before or after any meeting by any director. At any meeting where a director is present, notice shall be deemed automatically waived for that director for that meeting.

The meeting should be confined to the matters raised in the agenda, except that the Board may in its discretion allow matters to be added to a meeting's agenda at the beginning of that meeting; provided, however that the following matters are subject to action only upon proper notice and placement on the agenda as described in the previous paragraph of this article of these Bylaws: (a) removal of any director, (b) amendment of the Articles of Incorporation, (c) approval or disapproval of salary and other compensation to be paid to a director for serving in another capacity to the Corporation.

Section 9. Conduct of Meetings

The President shall preside over all Board meetings, unless otherwise specified by the Articles of Incorporation, these Bylaws, law, or rules of the Board.

The Secretary shall be responsible for taking, preparing, and maintaining the minutes of Board meetings, except that the Board may enact rules or provisions governing meeting conduct in the Secretary's absence.

ARTICLE X – INDEMNIFICATION

Section 1. Requirement and power to indemnify

The Corporation shall indemnify any director, officer, employee, advisor, or agent of the Corporation to the fullest extent permissible under the laws, rules and regulations, and judicial decisions of Montana.

ARTICLE XI – PROPERTY INTEREST AND PROHIBITION OF USE OF CORPORATE FUNDS, ASSETS, NAME

Section 1. Property Interest

No director, officer, employee, or agent of the Corporation shall have any right, title, or interest in or to any property or assets of the Corporation, either prior to, during or after any dissolution or liquidation of the Corporation or its assets. All assets and property of the Corporation at the time of a dissolution or liquidation shall be transferred as specified in the Articles of Incorporation.

Section 2. Prohibition of loans and other assistance

The Corporation shall not: (i) lend money or property to, or (ii) use its credit, assets, or name to assist or otherwise influence or bolster the personal affairs or finances of its directors, officers, employees, advisors, or other persons in any way associated with the Corporation; provided, however, that this prohibition shall not prevent the Corporation from indemnifying directors, officers, agents, and employees as specified in Article X of these Bylaws above.

ARTICLE XII – FISCAL YEAR

The Corporation's fiscal year shall begin the first day of January and close on the last day of December of each year.

ARTICLE XIII – BOOKS AND RECORDS

Section 1. Books and Records

The Corporation shall keep at its principal business office correct and complete books and records of account of the Corporation's activities and minutes of all Board and committee meetings. Said books and records shall be kept and maintained at the Corporation's principal business office;

provided, however, that the original Articles of Incorporation shall be kept at the Corporation's official registered office.

Section 2. Member's Inspection Rights

Every voting member shall have the absolute right at any reasonable time to inspect all books, records, or documents of any kind and to inspect the physical properties of the Corporation. The documents are to be in the sole possession of R-CALF USA. This right is for inspection only and shall not be deemed to allow the member rights to possession, or public dissemination of any of these documents either in whole or in part, without the approval of the board of directors.

ARTICLE XIV – EMERGENCY ACTIONS

In cases of emergency, decisions may be made by a majority vote of the Corporation's directors.

ARTICLE XV – CONSTRUCTION AND TERMS

If there is any conflict between these Bylaws and this Corporation's Articles of Incorporation, the provisions of the Articles of Incorporation shall govern.

Should any provision or portion of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

ARTICLE XVI – DISSOLUTION

This Corporation can be dissolved by unanimous vote of the Board of Directors.

ARTICLE XVII – AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed in whole or in part upon an affirmative vote of two-thirds of the number of members then voting. Voting members may initiate a proposal to amend or repeal these Bylaws by submitting a written proposal addressed to the Board of Directors and received at the Principal Business Office of R-CALF USA no less than ninety (90) calendar days in advance of the Annual Meeting of Members described in Article IX, Section 1. Written notice, including the text of any amendment, alteration, or repeal and a recommendation for disposition issued by the Board of Directors is to be sent to all members at least forty-five (45) days in advance of the meeting in which said amendment or repeal is proposed. Any proposal to amend

or repeal these Bylaws received at the Principal Business Office of R-CALF USA less than ninety (90) calendar days in advance of the Annual Meeting of Members shall be ineligible for consideration until the following year.

ARTICLE XVIII – SETTING POLICY

Members shall set policy by majority vote. Policy shall be nominated and refined as to wording at the annual meeting with a final vote on any such proposal resulting in that proposal being nominated. Any such proposal shall then be presented to the entire membership and voted up or down by the majority vote of the members then voting. Voting shall be by mail in a manner prescribed by the Board of Directors and shall take place within forty-five (45) days of the annual meeting. Thereafter, the Directors shall have the duty and obligation of implementing the policy directed by the members as previously set forth herein.

These Bylaws are hereby submitted to the President for signature this _____ day of _____, 200_____.

R. M. Thornsberry, D.V.M.
President of the Board