

BY-LAWS OF ASSOCIATION OF WARM SEASON GRASS PRODUCERS

Effective xx/xx/2016

Article I - Organization

Section 1.1 -Name and location.

The name of the cooperative shall be Association of Warm Season Grass Producers (hereinafter "AWSGP").

The principle office of AWSGP shall be the principle address of the organization chairman.

Section 1.2 -Cooperative principles.

AWSGP shall be operated in accordance with: (i) voluntary and open membership without arbitrary discrimination; (ii) democratic governance by members with equal voting rights among members and opportunity for participation in setting policies and making decisions; (iii) economic participation by members with members equitably contributing to and democratically controlling the capital of AWSGP, and with earnings being equitably applied to the benefit of members, to the development needs of AWSGP, and to the provision and extension of common services; (iv) autonomy and independence of AWSGP as a self-help organization controlled by its members; (v) educating and training members, steering committee members, managers and employees so they can contribute effectively to the development of AWSGP, and informing the general public about the nature and benefits of cooperation; (vi) strengthening the cooperative movement by working with other cooperative organizations at all levels; and (vii) working for sustainable development of AWSGP's community.

Section 1.3 -Fiscal year.

The fiscal year of AWSGP shall coincide with the calendar year.

Section 1.4-Primary purpose (This will be the mission statement)

AWSGP promotes the use and planting of warm season grasses, and works to maximize the profitability of this crop for local farmers. It assists in educating growers in the implementation of best management practices when harvesting the crop. It supports and encourages entrepreneurial activity that further develops the use of warm season grasses in all areas of agriculture.

Article II - Membership

Section 2.1 - Eligibility and admission.

Membership in AWSGP shall be voluntary and open on an individual, business, or affiliate organization to persons or groups who desire to use or support the services of AWSGP and are willing to accept the responsibilities of membership. Applicants will be admitted to membership upon submitting required information and paying the required membership fee unless waived in whole or in part by AWSGP.

Section 2.2 - Rights and obligations.

Each member shall be entitled to use the services of AWSGP on terms generally available to members and to participate in the governance of AWSGP as set forth in these by-laws. Each member shall pay a membership fee on an annual basis as determined by the Steering committee unless waived in whole or in part by AWSGP. Members shall have the right to receive a copy of these by-laws, and shall be provided reasonably adequate and timely information as to the organizational and financial affairs of AWSGP. Members shall have access to the books and records of AWSGP during usual business hours for any proper purpose related to their legitimate interests as members, provided that the Steering committee may impose reasonable restrictions or make alternative arrangements that it considers necessary to protect confidential information.

Section 2.3 -Settlement of disputes.

In any dispute between AWSGP and any of its members or former members that cannot be resolved through informal negotiation, it shall be the policy of AWSGP to prefer the use of mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. Neither party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.

Section 2.4 -Nontransferability.

Membership rights and interests may not be transferred except to AWSGP. Any attempted transfer contrary to this section shall be wholly void and shall confer no rights on the intended transferee.

Section 2.5 -Termination.

A member may terminate membership voluntarily at any time upon notice to AWSGP. Membership shall be automatically terminated upon failure to pay the membership fee for the current year by the date of the annual meeting occurring in such year. Membership may be terminated involuntarily only for cause by the Steering committee, provided the accused member is first accorded an adequate opportunity to respond to the charges in person or in writing. Upon termination of membership, all rights and interests in AWSGP shall cease.

Section 2.6 - Membership Dues

Annual membership dues for an individual not producing warm season grass shall be \$10. Annual membership dues for producing farmers shall be \$25. Annual business membership dues shall be \$40. Dues, once paid, are non-refundable. Dues may be changed by a two-thirds majority vote of the Steering committee.

Article III - Meetings of Members

Section 3.1-Bi-Annual meeting

AWSGP membership meetings shall be held bi-annually with open participation by all members in good standing.

Section 3.2 -Annual election meeting

One of the bi-annual meetings of members shall be held within two months after the close of each fiscal year. The purposes of the meeting shall be to hear reports on the operations and finances of AWSGP, to elect steering committee members and to conduct such other business as may properly come before the meeting.

Section 3.3 -Special meetings.

Special meetings of members may be called by the Steering committee and shall be called by the Secretary as soon as practicable upon receipt of petitions signed by ten percent of the number of members required for a quorum at a meeting of members, such petitions stating any proper business to be brought before the meeting. Any business conducted at a special meeting other than that specified in the notice of the meeting shall be of an advisory nature only.

Section 3.4 -Place of meetings

The time and place of all meetings shall be determined by the Steering committee or, if the Steering committee fails to do so, by the Secretary. Meetings shall be at a place convenient to members and need not be at the principal office of AWSGP.

Section 3.5 –Notice

Written notice of the time and place, and in the case of a special meeting the purpose or purposes of the meeting, shall be mailed to each member not less than five nor more than fifty days before the date of the meeting.

Section 3.6 -Quorum and voting

The presence in person or, when authorized, by absentee ballot of 10 percent of the members as of the previous July first shall constitute a quorum for the transaction of business at any meeting of members. Each member shall have one and only one vote on each issue submitted to a vote of members. Unless otherwise required by law or by these by-laws, issues shall be decided by a simple majority of votes cast except where one or more choices are to be made from several alternatives, in which case the alternative(s) receiving the most votes shall be considered approved. Voting by proxy shall not be permitted. Meetings of members shall be conducted generally in accordance with reasonable and accepted rules of parliamentary procedure.

Section 3.7 -Record dates

Unless otherwise determined by the Steering committee, only persons who are members at the close of business on the business day immediately preceding the date of distribution of notices shall be entitled to notice of any meeting of members and to vote at such meeting.

Section 3.8 -Absentee ballots

The Steering committee may authorize balloting by mail or email with respect to any issue to be submitted to a vote of members. Ballots, together with a brief statement of the qualifications of each candidate for available Steering committee positions or the text or a full description of any other issue for decision, shall be included in the notice of the meeting to which they relate. Ballots must be received by AWSGP no later than the date specified in the notice. For purposes of determining a quorum, absentee ballots shall be counted together with persons present at the meeting. When used in lieu of a meeting of members, voting by absentee ballot shall be considered the equivalent of a meeting of members, and the results of the balloting shall be reported to members by mail or email.

Section 3.9 -Issues submitted by members.

Notices of a meeting of members shall include any issues submitted by petition of ten percent of the number of members required for a quorum at a meeting of members. Petitions must be received at the principal office of AWSGP not less than thirty days before the date of the meeting.

Article IV - Steering committee

Section 4.1 -Powers and duties

Except as to matters reserved to members by law or by these by-laws, the business and affairs of AWSGP shall be directed and controlled by the Steering committee.

Section 4.2 -Number and qualifications

The Steering committee shall consist of not less than six or more than twelve members. All steering members shall not have any overriding conflict of interest with AWSGP.

Section 4.3 -Nominations, election and terms

Steering committee members may be nominated by the Steering committee, by a nominating committee appointed by the Steering committee, or by petitions signed by four or more members at large and submitted to AWSGP at least thirty days before commencement of the election process. Steering committee members shall be elected by members at large at the annual meeting or at a meeting in lieu thereof. Terms of steering committee members shall be so staggered that one-third of the terms or as nearly so as may be practicable shall expire in each year. Steering committee members shall normally be elected for terms of three years. To facilitate staggering of terms, some steering committee members may periodically be elected for one or two year terms. Steering committee members shall hold office until their successors are elected or until their terms are terminated sooner in accordance with these by-laws.

Section 4.4 –Compensation

Steering committee members may be reimbursed for reasonable expenses incurred in connection with business of AWSGP as is authorized by the Steering committee. Steering committee members may receive such compensation for services provided in their official capacities as is authorized by a meeting of members.

Section 4.5 -Standards of conduct

Steering committee members and officers shall be responsible at all times for discharging their duties in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner that they reasonably believe to be in the best interests of AWSGP.

Section 4.6 -Conflicts of interest

Steering committee members and officers shall be under an affirmative duty to disclose their direct or indirect conflicts of interest, either actual or potential, in any matter under consideration by the Steering committee or by a committee exercising any authority of the Steering committee, and such interest shall be made a matter of record in the minutes of the meeting. Steering committee members having such an interest shall not be permitted to participate in the discussion or decision of the matter, although they may be permitted to make a statement with regard to the matter. A transaction in which a director has an interest shall be prohibited unless the transaction is fair to AWSGP and is approved by no less than a two-thirds majority of all disinterested steering committee members.

Section 4.7 –Committees

The Steering committee may appoint special or standing committees to advise the Steering committee or to exercise such authority, as the Steering committee shall designate. Advisory committees shall include at least one director. Committees exercising any authority of the Steering committee shall consist only of steering committee members, and shall conform to the requirements of law and the procedures applicable to the Steering committee.

Section 4.8 –Indemnification

AWSGP shall indemnify its current and former steering committee members and officers against all reasonable expenses to which they may become subject by reason of their positions with AWSGP or their service in its behalf to the fullest extent permitted by law. Indemnification payments and advances of expenses shall be made on a priority basis but only in such increments and at such times as will not jeopardize the ability of AWSGP to pay its ordinary and necessary obligations as they become due. All such payments made shall be reported in writing to members with or before the notice of the next scheduled meeting of members.

Section 4.9 –Termination

The term of office of a Steering committee member may be terminated prior to its expiration in any of the following ways: (i) voluntarily by a Steering committee member upon notice to AWSGP; (ii) automatically upon termination of membership in AWSGP; (iii) with or without cause by action at a meeting of members; and (iv) with cause by the Steering committee. In the case of any removal for cause, the accused Steering committee member shall be provided reasonable notice of the charges and the opportunity to respond in person or in writing. A Steering committee member who is absent from two consecutive Steering committee meetings, unless excused by the Steering committee for good cause, shall be presumed to have resigned.

Section 4.10 –Vacancies

A vacancy among steering committee members occurring between annual meetings may be filled by the Steering committee. The Chairman shall fill any vacancy that results in less than six remaining steering committee members. Steering committee members so appointed shall serve until the next regularly scheduled election of steering committee members.

Article V - Meetings of the Steering committee

Section 5.1-Convening

A regular meeting of the Steering committee shall be held, without any other notice, immediately after the annual meeting. The Steering committee may determine the times and places of additional regular meetings. Special meetings may be called by the Chairman and shall be called upon request of any two steering committee members. Meetings of the Steering committee shall be held at least five times per year. Those meetings can be face to face or by conference call.

Section 5.2 –Notice

Special meetings called by the Steering committee shall require 3-day notice to steering committee members. All other meetings shall require written or oral notice to all steering committee members. Written notice shall be mailed, emailed or otherwise delivered not less than seven days before the date of the meeting, and oral notices shall be given in person or by telephone not less than three days before the date of the meeting.

Section 5.3 –Quorum

The presence in person at the opening of the meeting of a majority of steering committee members shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Steering committee.

Section 5.4 -Decision making

The Steering committee shall strive to make decisions by consensus, attempting to reconcile differing points of view based upon the best interests of AWSGP. Any decision made by consensus shall be deemed to be inclusive of a vote in any required percentage. If, in the opinion of a majority of steering committee members present, diligent efforts have failed to produce consensus and the issue requires immediate action, then such issue may be decided by a two-thirds majority vote.

Section 5.5 -Waiver of notice

Notice of a meeting of the Steering committee may not be waived at any time.

Section 5.6 - Action without a meeting

Any action required or permitted to be taken at a meeting of the Steering committee may be taken without a meeting if a written consent to the action is signed by all steering committee members and filed with the minutes of meetings.

Section 5.7 –Referendum

A decision of, or issue before, the Steering committee shall be referred to a meeting of members for ratification or decision if, in the opinion of any three steering committee members, such matter is of vital importance to AWSGP. Such meeting of members shall be called as soon as practicable. Any such decision of the Steering committee shall stand until modified by members. Rejection or modification by members shall not impair rights previously acquired by outside parties.

Section 5.8 -Open meetings

Meetings of the Steering committee and of all committees shall be open to all members and employees of AWSGP. Sessions of a meeting may be closed only as to issues of a particularly sensitive nature. Such closed session shall be for purposes of discussion only and no decisions shall be made in closed session.

Article VI - Officers

Section 6.1 –Designation

The officers of AWSGP shall consist of Chairman, Vice-Chairman, Treasurer, Secretary, and such other officers or assistant officers as may be determined by the Steering committee.

Section 6.2 -Qualifications, election, term and removal.

Officers shall be elected by the Steering committee. The Chairman and Treasurer shall be steering committee members. Officers shall serve for terms of one year or until election of their successors. Officers may be removed by the Steering committee at any time whenever, in its opinion, the best interests of AWSGP would thereby be served by a two-thirds vote.

Section 6.3 –Duties

Officers shall, as authorized by the Steering committee; to sign or attest to formal documents on behalf of AWSGP, and have the following duties and such additional duties as is determined by the Steering committee:

The Chairman shall preside over meetings of the Steering committee and members, shall coordinate the activities of the Steering committee, shall facilitate effective communications with the general AWSGP members, and shall present a report to the annual meeting on the organizational affairs of AWSGP.

The Treasurer shall be the chief financial officer, and shall present a report at all meetings on the financial affairs of AWSGP.

The Secretary shall oversee the issuance of required notices and the keeping of minutes of Steering committee and member meetings, and shall authenticate AWSGP records.

The Vice Chairman shall act in the role of Chairman in the Chairman's absence.

Article VII - Interpretation and Amendment

Section 7.1 –Severability

In the event that any provision of these by-laws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these by-laws.

Section 7.2 –Amendment

These by-laws may be amended by action at a meeting of members, provided that the proposed amendments are stated or fully described in the notice of the meeting at which the amendments are to be adopted. These by-laws may also be amended by the Steering committee, provided that such amendments are presented for ratification at the next meeting of members.

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