

**AMENDED AND RESTATED
BYLAWS OF
AMERICAN WAGYU ASSOCIATION, INC.**

Revised October 5, 2018

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**AMENDED AND RESTATED
BYLAWS
OF
AMERICAN WAGYU ASSOCIATION, INC.**

ARTICLE 1

OFFICES

1.1 Registered Office and Agent. The registered office of the American Wagyu Association, Inc., a Texas non-profit corporation (the “Corporation”), shall be located at 800 Brazos, Suite 400, Austin, Texas 78701 and the Corporation’s registered agent shall be Capitol Corporate Service, Inc. The registered office or the registered agent may be changed by resolution of the Board of Directors of the Corporation (the “Board of Directors”), upon making the appropriate filing with the Texas Secretary of State and as permitted by the Texas Business Organizations Code (the “TBOC”).

1.2 Principal Office. The principal office of the Corporation shall be at University of Idaho Research Park, Suite 316, 721 South Lochsa Street, Post Falls, Idaho 83854, provided that the Board of Directors shall have the power to change the location of the principal office from time to time.

1.3 Other Offices. The Corporation may also have other offices at such places, within or without the State of Texas, as the Board of Directors may designate from time to time.

ARTICLE 2

PURPOSE

2.1 Mission. The Corporation’s mission is to promote, foster and encourage the development and popularity of Wagyu cattle in the United States, as well as promote and protect the improvement of Wagyu cattle; and to record and register Wagyu cattle.

2.2 Purpose. The Corporation has been organized for the purposes set forth in the articles of incorporation dated March 14, 1990, as amended from time to time (the “Certificate of Formation”) of the Corporation. The Corporation shall devote, use, and expend its assets to the extent and in such manner necessary to (a) accomplish such purposes and (b) qualify as an exempt organization under Section 501(c)(5) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”) and the Texas Tax Code, Section 171.063.

ARTICLE 3

DISSOLUTION

The Corporation may be dissolved and its assets liquidated upon a two-thirds (2/3) majority vote of the Voting Members, as later defined, at any Annual General Membership

Meeting, as defined in Section 5.1. Upon dissolution of the Corporation and the winding up of its affairs, the assets of the Corporation shall, after payment of all debts, liabilities and obligations of the Corporation, be distributed exclusively, in accordance with Section 22.304 of the TBOC, to one or more organizations with similar purposes that is/are then involved in the pursuit and fulfillment of the purpose for which the Corporation was created and qualifying under the provisions of Section 501(c)(5) of the Code and its corresponding regulations, as they now exist or as may hereafter be amended. The “Directors” serving on the Board of Directors in office at the time of dissolution shall act as trustees for the benefit of all members and assets of the Corporation.

ARTICLE 4

MEMBERS

4.1 Classes of Members. The Corporation shall have six (6) classes of members. A person may be included in more than one class but may only be entitled to one vote. The following provisions shall govern the rights, privileges, duties, benefits and classification of members.

(a) Charter Members. “Charter Members” are individuals who have had the foresight to develop and promote the Wagyu breed during its formation. Those individuals being listed herewith: Marie and Albert Wood, Wilma and Fred Hildebrand, Daphne and Luther Laubach, Lolly and Don Lively, Shirley and Arthur Wendt.

(b) Emeritus Members. “Emeritus Members” are individuals who have devoted years promoting and developing the Wagyu breed. Those individuals being listed herewith: Fred A. Hildebrand of Rosebud, Texas, Don H. Lively of Georgetown, Texas, and Richard and Marcie Hammond of Silverton, Oregon.

(c) Active Members. “Active Members” are individuals, partnerships, corporations, firms or associations elected to active membership by the Board of Directors. Active Members may also include Charter Members, Emeritus Members and Honorary Members.

(d) Associate Members. “Associate Members” are individual, partnerships, corporations, firms or associations who do not own Wagyu cattle but are interested in the breeding, raising, and marketing of Wagyu cattle and beef.

(e) Junior Members. “Junior Members” are individuals under the age of twenty one (21) years, who are associated with but may or may not be engaged in the cattle business.

(f) Honorary Members. “Honorary Members” are individuals who have made outstanding contributions to the Wagyu breed of cattle and are nominated to hold lifetime memberships with the Corporation.

4.2 Admission of Members and Renewal of Membership. The Board of Directors may select individuals, partnerships, corporations, firms, or associations to become Active

Members upon application and contribution to the Corporation by interested individuals, partnerships, corporations, firms, or associations. The Board of Directors may adopt and amend the application procedures and qualifications for membership in the Corporation as it deems necessary. An affirmative vote of the majority of the Board of Directors shall be required for approval of any applicant who meets the membership qualifications then in effect. In submitting an application for membership, the applicant agrees to abide by and to uphold the rules and regulations of the Corporation. An Active Member may renew membership by making the annual contribution of membership dues as required by the Corporation for membership.

4.3 Nomination of Members. Associate Members, Junior Members, and Honorary Members may be nominated for membership in the Corporation by either self-nomination or by nomination by the Board of Directors or a Voting Member. Individuals, partnerships, corporations, firms, or associations nominated to become either an Associate Member, Junior Member, or Honorary Member shall become an Associate Member, Junior Member, or Honorary Member upon approval by the Board of Directors. Associate Members, Junior Members, and Honorary Members shall be entitled to those services and rights as granted by the Board of Directors.

4.4 Membership Dues. The Board of Directors may set and change the amount of contribution necessary for membership in the Corporation as well as amend and revise the membership application. Such dues may vary by each class of members and shall be payable in advance for one year. Members who are not delinquent by more than a period of one (1) month in their payment of annual dues to the Corporation and who have not behaved with gross misconduct in their relations to the Corporation shall be considered to be in “Good Standing” with the Corporation. Such standard of Good Standing may be changed by the Board of Directors from time to time as deemed necessary or desirable. Membership dues shall be payable annually on the first of January. Dues shall be prorated for the first year as determined by the date of admission to membership.

4.5 Member Voting Rights. Only Charter Members, Emeritus Members, Active Members, and Honorary Members in Good Standing shall be entitled to vote. Charter Members, Emeritus Members, Active Members, and Honorary Members in Good Standing shall vote in one class as the “Voting Members”. Each individual as a Voting Member shall be entitled to one (1) vote. Each partnership, corporation, firm, or association as Voting Member, shall be entitled to a maximum of ten (10) votes. The number of votes of up to ten (10) votes total allotted to each partnership, corporation, firm, or association member shall correspond to its contributions to the Corporation as shall be calculated by the Board of Directors upon approval of membership of the partnership, corporation, firm, or association.

4.6 Member Rights. Only Voting Members shall be entitled to serve as Directors, hold office, or apply for registration of Wagyu cattle. Voting Members shall be entitled to all services of the Corporation as may be fixed by the Board of Directors.

4.7 Member Suspension and Sanction. The Board of Directors may impose reasonable sanctions on a member, or expel or suspend a member from the Corporation, for good cause. Good cause may include the delinquency of over one (1) month of payment of the annual contribution to the Corporation or a material and serious violation of the Corporation’s

Certificate of Formation, Bylaws, rules, or of any applicable state or federal law. The Board of Directors may impose sanctions on, suspend, or expel a member upon two-thirds (2/3) vote of the Directors at any Board of Directors meeting. Charter Members, Emeritus Members, and Honorary Members may not be suspended or expelled from the Corporation.

4.8 Member Resignation. Any member may resign from the Corporation effective upon submission of a written notice of resignation to the Executive Director, as later defined, of the Corporation. The resignation need not be accepted by the Corporation to become effective. A member's resignation shall not relieve the member of any obligations to pay contributions, assessments, or other charges that had accrued and were unpaid prior to the effective date of the resignation.

4.9 Member Reinstatement. A former member may submit a written request for reinstatement of membership. The Board shall also have the exclusive power and authority to reinstate any member of the Corporation upon a majority vote of the Directors at any Board of Directors meeting.

4.10 Transfer of Membership. Membership in the Corporation is not transferrable or assignable. Membership terminates upon dissolution of the Corporation, death of a member, or dissolution, bankruptcy, or insolvency of a partnership, corporation, firm, or association member.

ARTICLE 5

MEETINGS OF MEMBERS

5.1 Annual General Membership Meeting. Members shall meet at an "Annual General Membership Meeting" on a date and at a place to be fixed by the Board of Directors to conduct all business of the Corporation.

(a) The Annual General Membership Meeting shall be held once in every calendar year with a maximum time of fifteen (15) months between Annual General Membership Meetings.

(b) Written notice of the Annual General Membership Meeting shall be delivered to members not less than thirty (30) days but not more than sixty (60) days prior to the date of such meeting. Written notice shall be by mail to the member's address as it appears in the records of the Corporation, or by sending a facsimile transmission or email communication in a timely manner.

(c) An order of business outlining each Annual General Membership Meeting may be adopted, implemented, and amended by the President from time to time as deemed necessary or desirable.

5.2 Special Member Meeting. The Board of Directors may call the members to a "Special Member Meeting" on a date and at a place to be fixed by the Board of Directors. Business to be discussed at the Special Member Meeting shall be identified in the notice to the membership. The Board of Directors shall give members at least fifteen (15) days but not more than sixty (60) days written notice prior to the Special Member Meeting. Written notice shall be

by mail to the member's address as it appears in the records of the Corporation or by sending a facsimile transmission or email communication in a timely manner.

5.3 Record Date. A record date for determining the members entitled to vote at an Annual General Membership Meeting or a Special Member Meeting shall be established the last day of the month preceding the meeting. After a record date is fixed for the notice of a meeting, an alphabetical list of members entitled to vote will be prepared. The list must identify: (a) members entitled to notice and members not entitled to notice of the meeting; (b) address of each Voting Member; and (c) the number of votes each Voting Member is entitled to cast at the meeting. The list must be available for inspection at the Corporation's principal office, or other reasonable place in the city in which either the Annual General Membership Meeting or Special Member Meeting shall take place, as specified in the notice, during the period from two (2) business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled to access the list for the purpose of communicating with other members. A Voting Member or a Voting Member's agent or attorney is entitled to inspect, upon written demand, and to copy the list at a reasonable time and at the member's expense. The foregoing list shall also be made available at the meeting.

5.4 Minutes. The Secretary of the Corporation shall be responsible for recording the minutes of each Annual General Membership Meeting or Special Membership Meeting. Minutes of each membership meeting shall be permanently filed in the records of the Corporation. A copy of the minutes of any meeting shall be provided to any member upon written request to the Executive Director.

5.5 Quorum. Quorum shall be satisfied when five percent (5%) of the Voting Members attend an Annual General Membership Meeting or a Special Member Meeting in person or by proxy (taking into account, with respect to each Voting Member, the number of votes to which each Voting Member is entitled pursuant to Section 4.5). The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

5.6 Vote by Proxy. Proxies may be given to vote on behalf of any member at any membership meeting, except for the election of the Directors which will be voted by ballot as set out in Section 5.8. Proxies shall be in writing in a form approved by the Board of Directors. All proxies shall be filed with the Executive Director prior to any meeting and be effective for the designated meeting only. The Executive Director prior to any meeting shall furnish a list of the proxy holders and the members they respectively represent to the President. Proxies must be submitted to the Executive Director by 8:00 a.m. Local Time, as defined below, on the first day of the Annual General Membership Meeting or the Special Member Meeting. The Secretary, or an employee of the Corporation acting under the direction of the Secretary, will verify that persons giving proxies and proxy holders are members in Good Standing. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months. "Local Time" as used

herein shall mean the time zone in which the relevant Annual General Membership Meeting or Special Member Meeting is located.

5.7 Partnership, Corporation, Firm, or Association Member Vote by Proxy and Representation. A partnership, corporation, firm, or association having a membership in its name, shall designate prior to any Annual General Membership Meeting or Special Member Meeting an individual who is to vote such vote(s) of the member by notifying the Executive Director in writing prior to such meeting. A partnership, corporation, firm, or association having a membership in its name may designate a proxy voter in accordance to Section 5.6.

5.8 Ballot Voting.

(a) With respect to the election of Directors, and to the exclusion of any other matter requiring a member vote, the Board of Directors may elect to have such elections conducted by mail, by facsimile transmission, by electronic message, or by any combination of these methods. Within ten (10) calendar days after the Board of Directors has nominated a slate of candidates for Directors and submissions by members of nominees for Directors have been received, if any, and at least twenty-one (21) calendar days before the deadline for completion of voting, the Secretary shall provide, a printed ballot containing the names of such nominees by mail (which may be by electronic mail or transmission) or sent by facsimile to each member entitled to vote as set forth in Section 4.5 and Section 5.3. The written ballot sent to such members and the manner of its return to the Corporation shall be designed to preserve secrecy of the ballot.

(b) The ballots should be accompanied by all relevant texts, where necessary, or an electronic pointer to such texts, together with a timetable for the ballot, including the deadline for the return of the ballots or for electronic voting. The purpose of this provision is to expressly authorize voting for Directors by mail, by facsimile transmission, by electronic message or transmission, or by any combination of such methods as contemplated by Section 22.160(d) of the TBOC. Such ballots shall indicate that the ballots are to be returned to the office of the Corporation by 5:00 p.m. Local Time, on the twenty-first (21st) calendar day following the issuance of the ballots (unless such day is a Saturday, Sunday, or legal holiday, in which case the deadline shall be extended until the next calendar day that is not a Saturday, Sunday, or legal holiday).

(c) The number of Directors receiving the highest number of ballots on a plurality basis corresponding to the number of open Director seats shall be the Directors elected, with those receiving the most votes filling the open Director seats with the longest available terms and corresponding in descending order until no more open Director seats are available to fill, subject to Section 6.3. Should three (3) or more Directors receiving the highest number of ballots on a plurality basis for a corresponding three (3) or more open Director seats legally reside in the same state, the Director(s) receiving the lowest number of ballots who would otherwise be elected notwithstanding Section 6.3 shall not be elected and the next Director nominee legally residing in a different state and receiving the most ballots shall be elected.

(d) In the case of mail ballots, each voting member shall receive a plain envelope in which to enclose a marked ballot and to be used for the return of the sealed ballot

addressed to a third party audit firm duly appointed by the President of the Corporation to oversee the inspection of the Director elections (the “Inspector of Elections”). The envelope addressed to the Inspector of Elections shall have a space for the signature of the voter. Ballots lacking this validating signature shall be deemed void.

(e) In the case of ballots by electronic mail, the Secretary shall utilize a system that verifies each voter’s identity and which maintains security and anonymity. Furthermore, an Inspector of Elections, shall be appointed by the President to oversee the inspection of the Director elections.

(f) The Inspector of Elections, in certifying the results, shall give the tally of votes, including invalid ballots. The Inspector of Elections shall provide written clarification for the classification of invalid ballots.

(g) The Secretary shall deliver a certified or notarized copy of the results of the ballot votes to the President within twenty-four (24) hours of receiving the balloting results.

(h) The Secretary shall deliver the certified or notarized original of the results of the ballot votes to the Board of Directors at the next meeting of the Board of Directors and such results shall be added to the minutes of the Board of Directors meeting.

(i) Throughout these Bylaws, the term “ballot” shall denote a ballot sent by mail, by facsimile, by electronic message, or by a combination of these methods.

(j) “Electronic transmission” has the meaning set forth in Section 1.002(20-a) of the TBOC and means a form of communication that:

- (i) Does not directly involve the physical transmission of paper;
- (ii) Creates a record that may be retained, retrieved, and reviewed by the recipient; and
- (iii) May be directly reproduced in paper form by the recipient through an automated process.

5.9 Recount of Ballot Votes.

(a) Within fifteen (15) days of the ballot closing, a Director or Director nominee may require a recount by submitting a written request by certified mail or by USPS with return receipt requested.

(b) The recount shall be conducted by the Inspector of Elections at the cost and expense of the requesting Director or Director nominee, the estimated amount of which shall be delivered to such Director or Director nominee by the Corporation prior to commencement of such recount. Where applicable, the Inspector of Elections shall convert any electronic ballot votes to a paper copy for purposes of conducting the recount.

(c) The recount must be performed on or before the thirtieth (30th) day after the date of the receipt of the request and payment for the recount.

(d) If the recount changes the results of the election, then the Corporation shall reimburse the requesting Director or Director nominee for the cost of the recount.

(e) The Corporation shall provide the results of the recount to each Director or Director nominee.

(f) Any action taken by the Board of Directors in the period between the initial election ballot tally and the completion of the recount shall not be affected by any such recount.

ARTICLE 6

BOARD OF DIRECTORS

6.1 Powers.

(a) To the extent not limited or prohibited by law, the Certificate of Formation, or these Bylaws, the powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. The primary function of the Board of Directors shall be to establish corporate policies for the direction and guidance of the Officers, as later defined, and the management of the Corporation, and to formulate the basic rules and regulations governing the operation and management of the Corporation.

(b) The Board of Directors shall have the power from time to time to select one or more banks to act as depositories of the funds of the Corporation, to determine the manner of receiving, depositing, and disbursing the funds of the Corporation, the form of checks to be used, and the person or persons who shall be authorized to sign such checks.

(c) The Board of Directors shall have the power to employ or to authorize the employment of an Executive Director and such other Officers and employees as may be deemed necessary, to prescribe the duties thereof, to fix their compensation and to evaluate their performance.

(d) Directors need not be residents of the State of Texas unless the Certificate of Formation or these Bylaws so require.

(e) The Board of Directors shall be composed of members in Good Standing.

6.2 Number of Directors.

(a) The number of Directors serving on the Board of Directors shall be nine (9), provided that the number may be increased or decreased from time to time by an amendment to these Bylaws, and provided further that the number of Directors may not be decreased to fewer than three (3).

(b) Each Director shall serve for his or her term of office and until his or her successor shall have been duly elected and qualified unless such Director is sooner removed in the manner specified in Section 6.6 or until such Director resigns. A Director may serve for an unlimited number of terms but shall be limited to two (2) consecutive terms of service. Service by a Director for a partial term shall not count towards the limitation on two (2) consecutive terms of service.

6.3 Geographical Diversity of Directors. Since it is the desire of the Corporation to have as many geographical areas in which Wagyu cattle are bred represented on the Board of Directors, no more than two (2) Directors having their principal legal residence in a single state may serve on the Board at the same time. The principal legal residence of a Director is determined at the time of election. Should a Director move to a new state during his or her term where the state already has two (2) other currently serving Directors, the Director moving to the new state with two (2) other currently serving Directors shall be removed and replaced at the next Board of Directors meeting. Any such appointed Director shall serve until the end of the calendar year following the next Annual General Membership Meeting at which a successor shall be elected for the balance of the original term by a majority of the Voting Members, unless such original term shall have expired by the Annual General Membership Meeting, in which case the Voting Members shall elect a Director for a new term to begin at the start of the new year.

6.4 Nomination of Directors. Nominees for the Board of Directors may be nominated by the Board of Directors and/or submitted by the members. Nominations by members must be submitted by close of nominations at the Annual General Membership Meeting.

6.5 Election of Directors.

(a) At each Annual General Membership Meeting (or, alternatively, at an election conducted by mail, including electronic mail, or by facsimile), the process of electing Directors shall begin to replace those Directors whose terms expire at the end of the calendar year. The balloting process in Section 5.8 shall be followed. In lieu of conducting a ballot vote, the Board of Directors may in its reasonable discretion allow for an in person oral (viva voce) or show of hands vote.

(b) Each Director on the Board of Directors shall serve a term of three (3) years or until his or her successor is duly appointed and takes office. The terms of the Directors shall begin on January 1st of the calendar year and shall be staggered so that the terms of one-third (1/3) of the Board of Directors shall begin every year.

6.6 Vacancies of Directors. Following a Director's death, resignation, suspension, or removal, the Directors shall fill that vacancy by majority vote at the next meeting of the Directors. Any such appointed Director shall serve until the end of the calendar year following the next Annual General Membership Meeting at which a successor shall be elected for the balance of the original term by a majority of the Voting Members to begin at the start of the new year, unless such original term shall have expired by the end of the calendar year, in which case the Voting Members shall elect a Director for a full three-year term to begin at the start of the new year.

6.7 Removal and Suspension. Any director may be removed or suspended by the vote of two-thirds (2/3) majority of the Board of Directors for gross negligence, breach of fiduciary duty, an undisclosed material conflict of interest, or habitual absenteeism from Board meetings in each case as reasonably determined by the Board of Directors, and by the giving of notice by the Secretary of the Corporation to the Director to be so removed or suspended. Any Director may be removed or suspended by the vote of the majority of members at an Annual General Membership Meeting a Special Member Meeting, with or without cause.

6.8 Resignation. A Director may resign by providing written notice of such resignation to the Corporation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

6.9 Increase in Number of Directors. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an Annual General Membership Meeting or at a Special Member Meeting called for that purpose.

6.10 Compensation. Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board of Directors. A Director shall not be precluded from serving the Corporation in any other capacity and receiving compensation for such services.

6.11 Duties of Directors.

(a) Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In discharging any duty imposed or power conferred on Directors, Directors may, in good faith, rely on information, opinions, reports, or statements (including financial statements and other financial data) concerning the Corporation or another person that has been prepared or presented by a variety of persons, including, but not limited to, Officers and employees of the Corporation, professional advisors, and experts (such as accountants or legal counsel). A Director is not relying in good faith if he or she has actual knowledge concerning a matter in question that renders reliance unwarranted.

(b) Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property, except in accordance to Article 3.

(c) Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Corporation's behalf, and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board of Directors, as applicable, acts in good faith and with ordinary care in selecting the

advisor. The Board of Directors, as applicable, may remove or replace the advisor at any time and without any cause whatsoever.

6.12 Interested Directors. Every Director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board of Directors or other group authorizing the transaction. The transaction must be approved by a majority of the disinterested Directors of such Board of Directors or other group with the authority to authorize the transaction. In addition, all Directors must abide by any Conflict of Interest policies adopted by the Corporation. However, contracts or transactions between Directors, Officers, or members who have a financial interest in the matter are not void solely for that reason. Nor are they void solely because the Director, Officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for such purpose.

ARTICLE 7

MEETINGS OF THE BOARD OF DIRECTORS

7.1 Annual Meeting of Directors.

(a) The annual meeting of the Board of Directors shall be held each year in conjunction with the Annual General Membership Meeting at the same place and either shortly before or after the Annual General Membership Meeting, in the discretion of the President. Notice of the Annual General Membership Meeting shall contain notice of the Board of Directors meeting. In addition, the Board of Directors shall meet at least one (1) additional time at a time and place selected by a majority of the Directors which meeting shall occur no later than six (6) months following the Annual General Membership Meeting.

(b) Failure to hold an appointed Board of Directors meeting at a designated time shall not dissolve the Corporation. In the event the Board of Directors fails to meet at least twice within a year, any Director may make written demand (to be delivered by registered mail to any Officer of the Corporation) that such meeting be held within a reasonable time. If the meeting of the Board of Directors is not called within sixty (60) days following such demand, any Director may compel the holding of such biannual meeting by legal action directed against the Board of Directors, and such Director shall be entitled to injunctions or other equitable relief to compel the holding of such biannual meeting.

7.2 Regular Meeting of Directors. Regular meetings of the Board of Directors may be held by conference call or other means during which all participants can communicate with each other at such time and place as may be determined by the Board of Directors from time to time. The Directors may hold regular meetings of the Board of Directors by the means set forth in the Bylaws, and participation by such means constitutes presence in person at the meeting.

7.3 Special Meeting of Directors. The President, or any three (3) Directors may call special meetings of the Board of Directors. Such special meeting shall be held at the date and time specified in the notice of meeting. The Directors may hold special meetings of the Board of

Directors by the means set forth in the Bylaws, and participation by such means constitutes presence in person at the meeting.

7.4 Place of Directors' Meetings. All meetings of the Board of Directors shall be held at such place, either within or without the State of Texas, as shall be specified in the notice of meeting.

7.5 Notice of Directors' Meetings. Notice of any regular meeting of the Board of Directors shall be given at least seventy-two (72) hours previously thereto by written notice delivered personally or sent by mail or electronically to each Director at that Director's address or email as shown by the records of the Corporation. Notice of any special meeting of the Board of Directors shall be given at least five (5) days, previously thereto by written notice delivered personally or sent by mail or electronically to each Director at that Director's address or email as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. If notice is given electronically, such notice shall be delivered when sent to the electronic address of the director set forth in the Corporation's books and records. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

7.6 Minutes. Minutes of the Board of Directors meetings shall be kept by the Secretary and shall be permanently filed in the records of the Corporation. A copy of the draft or approved minutes of any Board of Directors meetings shall be provided to each Director as soon as reasonably possible but no later than thirty (30) days following a Board of Directors meeting or ten (10) days prior to the next scheduled Board of Directors meeting, whichever occurs first.

7.7 Quorum and Voting of Directors.

(a) A majority of the Board of Directors, but not less than three (3), shall constitute a quorum for the transaction of business by Board of Directors unless a greater number is required by law, the Certificate of Formation, or these Bylaws. The act of the majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the applicable Board of Directors, unless the act of a greater number is required by law, the Certificate of Formation, or these Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and counts towards quorum for the purpose of determining such Board's decision.

(b) A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against such action or abstains from voting because of an asserted conflict of interest. Any such vote against an action or dissent shall be reflected in the minutes of the meeting. Dissent against an action may also be recorded if such Director's dissent is recorded into the minutes of the meeting, files a written dissent prior to the adjournment of the

meeting or forwards such dissent by registered mail to the Secretary within forty (40) days after the adjournment of the meeting. A dissent by a Director regarding the improper distribution of assets must be filed by recordation into the minutes of the meeting, filing a written dissent prior to the adjournment of the meeting or forwarding such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. A Director may not have his or her dissent recorded if he or she already voted in favor of such action to which his or her dissent applies.

(c) A Director may only vote in person, including, for the avoidance of doubt, voting orally in a telephonic meeting.

(d) Any meeting of the Board of Directors may be recessed from day to day or to a time set by a majority vote of those in attendance at such meeting. Those matters, and only those matters, proper to be considered and acted upon at a meeting of the Board of Directors shall be proper and considered and acted upon at any meeting to which said meeting shall be recessed.

7.8 Action By Directors Without Meeting.

(a) Any action required by the TBOC, or permitted by the TBOC, to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a unanimous written consent, setting forth the action to be taken, shall be signed by all Directors or committee members. Such written consent shall have the same force and effect as if adopted at a meeting of the Board or committee.

(b) Each written consent shall bear the date of signature of each Director or committee member who signs the consent.

(c) A telegram, telex, cablegram, email, or similar transmission by a Director or member of a committee or a photographic, photostatic, facsimile, PDF, or similar reproduction of a writing signed by a Director or member of a committee shall be regarded as signed by the Director or member of a committee for purposes of this section.

7.9 Meetings by Telephone Conference, Electronic or Other Remote Communications Technology. Subject to the provisions required or permitted by the TBOC and these Bylaws for notice of meetings, the Board of Directors, or members of any committee thereof may participate in and hold a meeting by means of: (a) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other or (b) other suitable electronic communications system, including videoconferencing technology or the Internet. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

7.10 Committees of the Board of Directors.

(a) The Board of Directors, by resolution adopted by a majority of the members of such Board in office, may designate and appoint one or more committees, each of

which shall consist of two (2) or more persons, the majority of which must be Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of such Board in the management of the Corporation, except that no such committee shall have the authority of the Board of Directors in reference to (i) amending, altering, or repealing the Bylaws; (ii) sanctioning, suspending, or expelling any member of the Corporation; (iii) electing, appointing, or removing any member of any such committee or any Director or Officer of the Corporation; (iv) amending or restating the Certificate of Formation; (v) adopting a plan of merger or adopting a plan of consolidation with another Corporation; (vi) authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; (vii) adopting a plan for the distribution of the assets of the Corporation; (viii) taking any action that could jeopardize the Corporation's qualification under Section 501(c)(5) of the Code; or (ix) amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation of authority to such committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law upon the Board of Directors or upon any individual Director.

(b) Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be created in such manner as may be designated by a resolution adopted by a majority of the Directors, as applicable, present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Directors of the Corporation, and the President of the Corporation shall appoint the members thereof subject to the approval of the majority of the Board of Directors. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

(c) Each member of a committee shall serve for a period not to exceed one (1) year and until a successor is appointed, unless (i) the committee shall be sooner terminated, (ii) such member is removed from such committee, (iii) such member ceases to qualify as a member thereof, or (iv) such member has served for a period of longer than one (1) year.

(d) One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

(e) Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

(f) Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

(g) Each committee may adopt rules for its own government not inconsistent with the TBOC, these Bylaws, or with rules adopted by the Board of Directors

7.11 Executive Committee. The Executive Committee is hereby established pursuant to Section 7.10 and it shall have and exercise the authority of the Board of Directors in the management of the Corporation, subject to such restrictions as the Board shall from time to time impose upon it.

(a) The Executive Committee shall be composed of the President, as chairman, the Secretary, the Treasurer, and the Member-at-Large.

(b) The Executive Committee shall represent the Board of Directors and direct the affairs of the Corporation between the meetings of the Board of Directors and shall have the following duties and functions: (i) supervise the financial records of the Corporation; (ii) secure an annual audit or review of the financial records; (iii) make a report at each regular meeting of the Board of Directors and at the Annual General Membership Meeting; (iv) prepare an annual budget; (v) oversee the implementation of any approved budget; (vi) and make any other recommendations on financial matters as is deemed prudent.

(c) Minutes of the Executive Committee meetings shall be kept by the Secretary and shall be permanently filed in the records of the Corporation. A copy of the minutes of any Executive Committee meetings shall be provided to each Director as soon as reasonably possible but no later than thirty (30) days following an Executive Committee meeting or ten (10) days prior to the next scheduled Board of Directors or Executive Committee meeting, whichever occurs first.

(d) A majority of the Directors of the Executive Committee shall constitute quorum for the transaction of business at any Executive Committee meeting. The act of the majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the Executive Committee, unless the act of a greater number is required by law, the Certificate of Formation, or these Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and counts towards quorum for the purpose of determining such Executive Committee's decision.

(e) Should the Board of Directors desire to override action taken by the Executive Committee, the Board of Directors may by a majority vote of all Directors, as permitted under law, the Certificate of Formation, or by these Bylaws, overturn actions taken by the Executive Committee.

ARTICLE 8

PARLIAMENTARY PROCEDURES FOR MEMBER AND BOARD OF DIRECTOR MEETINGS

8.1 Parliamentary Procedures. Each Annual General Membership Meeting, Special Member Meeting, and meeting of the Board of Directors (collectively, "Meeting(s)") shall be conducted in accordance with the procedures set forth in this Article 8.

8.2 Presiding Officer. The President shall preside at each Meeting. The President shall have the following powers:

(a) To rule motions in or out of order, including the right to rule out of order any motions patently offered for obstructive or dilatory purposes;

(b) To determine whether a speaker has gone beyond reasonable standards of courtesy in his/her remarks and to entertain and rule on objections from other persons on this ground;

(c) To entertain and answer questions of parliamentary law or procedures;

(d) To call a brief recess at any time;

(e) To adjourn in an emergency.

8.3 Presiding Officer When President is in Active Debate. The President shall preside at all Meetings, unless the President becomes actively engaged in debate on a particular proposal, in which case the President may designate another Director or Officer to preside over the debate. The President shall resume the duty to preside as soon as action on the matter is concluded.

8.4 Action. All business brought before a Meeting shall proceed by motion. Any member, including the President, may make a motion. A motion need not be seconded at a meeting of the Board of Directors, but motions must be seconded at an Annual General Membership Meeting or Special Member Meeting. Only one motion may be made at a time. A substantive order is out of order while another substantive motion is pending.

8.5 Adoption by Vote. A motion is adopted upon the affirmative vote of a majority of the quorum of members present at the Meeting, unless a different vote is otherwise required by the Certificate of Formation, these Bylaws, or the TBOC. The President is permitted to vote on all motions.

8.6 Debate. The President shall state the motion and then open the floor to debate and discussion. The President shall preside over the debate according to the following general principles:

(a) The member who makes the motion (the “Introducer”) is entitled to speak first;

(b) A member who has not spoken on the issue shall be recognized before someone who has already spoken on the issue;

(c) To the extent possible, the debate shall alternate between opponents and proponents of the measure.

8.7 Procedural Motions. In addition to substantive proposals, the following procedural motions and no others shall be in order. Unless otherwise noted, each motion is debatable, may be amended, requires a majority vote for adoption, and applies to all Meetings.

(a) To adjourn. The motion to adjourn may be made only when action on a pending matter concludes; it may not interrupt deliberation of a pending matter.

(b) To take a recess.

(c) Call to follow the agenda. If an agenda is presented prior to or at the start of a Meeting, this motion must be made at the first reasonable opportunity or it is waived.

(d) To suspend the rules. For adoption, the motion requires a vote equal to the number required for a quorum.

(e) To divide a complex motion and consider it by paragraph.

(f) To defer consideration. In a meeting of the Board of Directors, the Board of Directors may vote to defer action or consideration of a pending matter indefinitely. A substantive motion consideration of which has been deferred expires one hundred (100) days thereafter unless a motion to revive consideration is adopted. This motion may not be made at an Annual General Membership Meeting or Special Member Meeting.

(g) To postpone to a certain time or day.

(h) To refer to a committee. Sixty (60) days after a motion has been referred to a committee, the Introducer may compel consideration of the measure by the entire Board of Directors or membership at the next regularly scheduled Meeting, regardless of whether the committee has reported the matter back.

(i) To amend. An amendment to a motion must be pertinent to the subject matter of the motion, but it may achieve the opposite of the motion's intent.

(j) To revive consideration. In a meeting of the Board of Directors, the motion is in order anytime for one hundred (100) days after a vote to defer consideration. A substantive motion whose consideration has been deferred expires one hundred (100) days thereafter, unless a motion to revive consideration is adopted. This motion may not be made at an Annual General Membership Meeting or Special Member Meeting.

(k) To rescind or repeal.

(l) To ratify.

(m) To prevent reconsideration for six (6) months. The motion is in order immediately following the defeat of a substantive motion and at no other time. For adoption, the motion must receive a vote equal to the number required for a quorum. It is valid for six (6) months or, if the motion was pending for consideration by the Board of Directors, until a new Director is elected, whichever occurs first.

8.8 Renewal of Motion. A motion that is defeated may be renewed at any subsequent Meeting unless a motion to prevent reconsideration has been adopted.

8.9 Withdrawal of Motion. A motion may be withdrawn by the Introducer at any time before a vote.

ARTICLE 9

OFFICERS

9.1 Number of Officers. The “Officers” of the Corporation shall consist of the President, Secretary, Treasurer, Executive Director, Member-at-Large and such other officers and assistant officers as may be deemed desirable or necessary. New offices may be created and filled at any meeting of the Board of Directors. Any two or more offices may be held by the same person, except the offices of the President, Secretary, Treasurer, Executive Director.

9.2 Election of Officers and Term of Office. All Officers, except for the Executive Director, shall be elected at the earliest called meeting of the Board of Directors following the first of January for a period of one (1) year, provided, that an Officer may hold a term longer than his or her stated term, not to exceed three (3) years, by serving until his or her successor is duly elected and qualified. The current President shall chair the Board of Directors meeting electing the new Officers and shall act only in that capacity until the new President is elected. An Officer may be elected to succeed himself or herself in the same office so long as such Officer maintains his or her membership in Corporation and remains in Good Standing at the time of the election. Officers shall hold office at the pleasure of the Board and until their respective successors shall have been elected or until death or until resignation or removal in the manner hereinafter provided. Officers shall be elected out of the members of the Board of Directors and shall serve on the Board of Directors.

9.3 Removal of Officers; Vacancies. Any Officer elected or appointed may be removed by the Board of Directors with or without cause and whenever in their judgment the best interests of the Corporation will be served thereby. The removal of an Officer shall be without prejudice to the contract rights, if any, of the Officer so removed. Election or appointment of an Officer shall not of itself create contract rights. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by a majority vote of the Board of Directors for the unexpired portion of the term of such office.

9.4 Resignation of Officers. Any Officer may resign at any given time with or without cause by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.5 Powers of Officers.

(a) Each Officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties (i) as are commonly incident to that office and (ii) as the Board of Directors shall designate from time to time. All Officers shall perform their duties subject to the directions and under the supervision of the Board of Directors.

(b) All Officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws or as may be determined by the Board of Directors, not inconsistent with these Bylaws.

(c) In the discharge of a duty imposed or power conferred on an Officer of the Corporation, the Officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by: (i) one or more other Officers or employees of the Corporation, including members of the Board of Directors; or (ii) legal counsel, public accountants, or other persons as to matters the Officer reasonably believes are within such person's professional or expert competence.

(d) An Officer is not relying in good faith within the meaning of this section if the Officer has actual knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

9.6 Compensation. Officers may receive salaries or other compensation for their services to the Corporation as approved and authorized from time to time by the Board of Directors. Reimbursement of Officer expenses shall be as determined from time to time by the Board of Directors.

9.7 President.

(a) The "President" shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board of Directors as chair of the Board. The President shall have general executive charge, management, and control of the affairs, properties, and operations of the Corporation in the ordinary course of business, with all such duties, powers, and authority with respect to such affairs, responsibilities, and operations as may be reasonably incident to such responsibilities. The President shall see that all orders and resolutions of the Board of Directors are carried out, subject, however, to the right of the Directors to delegate specific powers, to any other Officers of the Corporation, except such as may be by statute exclusively conferred on the President. The President must have served on the Board of Directors for one (1) year prior to election as President.

(b) The President shall execute bonds, mortgages and other instruments requiring a seal, in the name of the Corporation. When authorized by the Board of Directors, the President, any Vice-president, or Secretary may affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of the Secretary.

(c) The President shall call and set the agenda for all Board of Directors meetings.

(d) The President shall receive reports from the Secretary and the Treasurer.

(e) The President shall analyze and submit reports of the annual operations and health of the Corporation.

9.8 Vice-Presidents. In the absence or disability of the President, or in conjunction with the President, the Vice-presidents in order of their rank as fixed by these Bylaws or by order of their election, shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors may prescribe.

9.9 The 1st Vice-President and Secretary.

(a) The "1st Vice-President and Secretary", otherwise known as the "Secretary", shall attend all meetings of the Board of Directors and shall record all votes and the minutes of all proceedings, including any member meetings, and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors and all member meetings and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, may affix the same to any instrument requiring it. When so affixed, the seal shall be attested by the Secretary's signature.

(b) The Secretary shall implement policies developed by the Board of Directors for the recruitment of Board members and work with members who wish to be candidates for election to the Board of Directors.

(c) The Secretary shall report to the President the needs of the Corporation and progress of implementing the programs and policies of the Corporation and shall assure compliance with these Bylaws when such policies and programs are proposed.

(d) The Secretary shall sign, when appropriate, with the President, in the name of the Corporation and/or attest to the signature of all contracts, conveyances, transfers, assignments, encumbrances, authorizations, and other instruments, documents, and papers, of any and every description whatsoever, or executed for or on behalf of the Corporation.

(e) The Secretary shall insure the Corporation is properly registered in the appropriate states to conduct business.

(f) In the absence or disability of the Secretary, the Treasurer shall perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors may prescribe.

(g) In the absence of the Secretary, the minutes of all meetings of the Board of Directors shall be recorded by such person as shall be designated by the Board of Directors or President.

9.10 The 2nd Vice-President and Treasurer.

(a) The "2nd Vice-President and Treasurer", otherwise known as the "Treasurer", shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in

such depositories as may be designated by the Board of Directors. When necessary or proper, the Treasurer may endorse checks on behalf of the Corporation for collection.

(b) The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Corporation's books of account in punctual and regular order with full and accurate accounts of all moneys received and paid out by, for, or on account of the Corporation and, at any time, shall (i) render to the Board of Directors a statement of the cash account or an account of all of the Treasurer's transactions and of the financial condition of the Corporation and (ii) exhibit the books, records, and accounts to the Board of Directors. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors, and in accordance with the orders of the President, and present to the President's attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer shall perform such other duties, subject to the control of the Board of Directors, as may be directed by Board of Directors and any and all acts incident to the position of the Treasurer.

(c) The Treasurer shall sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such Officer as may be designated by the Board of Directors.

(d) If required, the Treasurer shall render consistently all financial information to the Board of Directors and/or membership.

(e) The Treasurer shall be responsible for and oversee the filing of tax returns and other financial reports.

(f) The Treasurer shall assist the Board of Directors in establishing a yearly budget and financial plan for the Corporation.

(g) If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office and for the restoration to the Corporation, of all books, papers, vouchers, money and other property of whatever kind in the incumbent's possession or under the incumbent's control belonging to the Corporation in case of death, resignation, retirement, or removal from office.

(h) In the absence or disability of the Treasurer, the Secretary shall perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors may prescribe.

9.11 Executive Director.

(a) The Board of Directors shall appoint the "Executive Director" who shall perform or supervise and be principally responsible for the day-to-day administrative management of the Corporation. The Executive Director shall not be elected to a term of office, but shall serve by virtue of his or her employment relationship with the Corporation and at the pleasure of the Board of Directors.

(b) The Executive Director shall conduct the business of the Corporation as directed by the President.

(c) The Executive Director shall serve as an ex-officio member of the Board of Directors and the Executive Committee, meaning he or she may attend any Board of Directors and Executive Committee meetings but has no voting rights and shall not count towards a quorum.

9.12 Member-at-Large.

(a) The Board of Directors shall appoint the “Member-at-Large” who shall assist and advise the incoming President and add continuity and stability to the relationship between the President and the Board of Directors and the Executive Committee. Notwithstanding the foregoing, the Member-at-Large shall have no other duties as an Officer. The outgoing President shall typically be appointed to the Member-at-Large position unless the outgoing President will also no longer be serving on the Board of Directors, in which case another Director shall be appointed to the position.

ARTICLE 10

LIABILITY, INDEMNIFICATION, AND INSURANCE

10.1 Liability. To the fullest extent permitted by the applicable provisions of Title 1, Chapter 7 of the TBOC and other applicable law, no Director, Officer, or member of any committee shall be liable for acts executed in accordance with any provision of the TBOC as then in effect, and shall, in the discharge of any duty imposed or power conferred upon him or her by the Corporation, not be held liable if, in the exercise of good faith and with ordinary care in reliance on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by: (i) one or more other Officers or employees of the Corporation, including members of the Board of Directors; or (ii) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within such person’s professional or expert competence.

10.2 Indemnification.

(a) To the fullest extent permitted by the applicable provisions of Title 1, Chapter 8 of the TBOC and other applicable law, the Corporation shall advance or reimburse expenses to and indemnify any present and former Directors, Officers, and employees of the Corporation and persons serving or formerly serving at the request of the Corporation as Directors, Officers, or employees, against judgments, penalties (including excise and similar taxes), fines settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding, because the person is or was acting in one of the capacities set forth above.

(b) To the fullest extent permitted by the applicable provisions of Title 1, Chapter 8 of the TBOC and other applicable law, the Corporation shall pay or reimburse

reasonable expenses incurred by any present Directors, Officers, or employees of the Corporation, or any other person in connection with that person's appearance as a witness or any other participation, or on behalf of the Corporation, in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding at a time when the person is not a respondent in one of the proceedings set forth above.

10.3 Insurance. To the fullest extent permitted by applicable provisions of Title 1, Chapter 8 of the TBOC and other applicable law, the Corporation may purchase, procure, or establish and maintain insurance or another arrangement to indemnify or hold harmless any present and former Directors, Officers, and employees of the Corporation against any liability asserted against and incurred by the person in one of the capacities set forth above or arising out of the person's status in one of the capacities set forth above, without regard to whether the Corporation would have had the power to indemnify the person against that liability under these Bylaws or by the TBOC.

ARTICLE 11

MISCELLANEOUS

11.1 Waiver of Notice. Whenever any notice is required to be given to any member or Director of the Corporation under the provisions of the TBOC, the Certificate of Formation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

11.2 Seal. The Corporation may adopt a corporate seal in such form as the Board of Directors may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Corporation.

11.3 Contracts. The Board of Directors may authorize any Officer or Officers of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

11.4 Checks, Drafts, Etc. All checks, drafts, or other instruments for payment of money or notes of the Corporation shall be signed by such Officer or Officers, or such other person or persons, as shall be determined from time to time by resolution of the Board of Directors.

11.5 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

11.6 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the Corporation.

11.7 Books and Records.

(a) The Corporation shall keep correct and complete books and records of account. The Directors may have or establish one or more offices of the Corporation and keep the books and records of the Corporation, except as otherwise provided by the TBOC, in such place or places in the State of Texas or outside of the State of Texas, as the Board of Directors may from time to time determine. The books and records include, but are not limited to:

(i) a file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation and statement of change of registered office or registered agent;

(ii) a copy of all bylaws, including these Bylaws, and any amended versions or amendments thereto;

(iii) minutes of proceedings of the Board of Directors and committees having any of the authority of the Board of Directors;

(iv) a list of the names and addresses of the members, Directors, Officers, and any committee members of the Corporation;

(v) financial statements showing the Corporation's assets, liabilities, and net worth;

(vi) financial statements showing the Corporation's income and expenses;

(vii) all rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status; and

(viii) the Corporation's federal, state, and local tax information or income tax returns.

(b) A Director of the Board of Directors, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time within five (5) business days after the Corporation receives a proper written demand, for any proper purpose under Section 3.152 of the TBOC, the books and records of the Corporation relevant to that purpose, at the sole expense of such Director.

11.8 Financial Records and Annual Reports. The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including all income and expenditures, in accordance with generally accepted accounting principles.

11.9 Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors.

11.10 Board Approval for Questionable Wagyu Registrations. The approval of a supermajority, 7 of 10 of the Board of Directors shall be required for the registration of any animal where DNA parent verification is unknown, unavailable, in question or challenged.

ARTICLE 12

CONSTRUCTION

12.1 Drafting Conventions. All personal pronouns used in these Bylaws shall include the other gender whether used in masculine, feminine, or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. As used herein, the word “including” shall be deemed to mean “including, without limitation” and, unless otherwise expressly provided, shall not limit the words or terms preceding such terms. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

12.2 Invalid Provisions. If any one or more of the provisions of these Bylaws, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

12.3 Legal Construction.

(a) These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

(b) To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations.

ARTICLE 13

AMENDMENT OF BYLAWS

By a majority vote of the Board of Directors, recommendations for amendments, alterations, or repeal of these Bylaws will be presented to the membership prior to the Annual General Membership meeting and included on the written agenda. The amendments, alterations, or repeal of the Bylaws must be approved and adopted by a majority vote of the members present at the Annual General Membership Meeting either in person or by proxy. Notice of the proposed amendments, alterations, or repeal shall be given in writing to the membership at least thirty (30) days prior to the Annual General Membership Meeting.

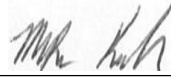
ARTICLE 14

GOVERNANCE AND CONDUCT POLICY

The Directors shall comply with the Corporation's American Wagyu Association - Board Governance and Conduct Policy, as attached as Exhibit A. Employees of the Corporation shall comply with the Conflict of Interest Policy - Employees of the American Wagyu Association, attached as Exhibit B.

CERTIFICATE OF SECRETARY REGARDING BYLAWS

The undersigned hereby certifies that he or she is the duly appointed and acting Secretary of American Wagyu Association, Inc. and the foregoing Bylaws were duly adopted by the members of this Corporation on October 5, 20 1 8, and they constitute the corporate Bylaws of American Wagyu Association , Inc. effect as of this date.



Secretary

Exhibit A
Amended and Restated Bylaws
AMERICAN WAGYU ASSOCIATION
BOARD GOVERNANCE AND CONDUCT POLICY

Adopted January 23rd 2013

The American Wagyu Association, “AWA”, Board of Directors, “Board”, has adopted the following policy for the governance and conduct of the Board and members of the Board of AWA, “Directors”. This policy is focused on ensuring an environment exists for the Directors to conduct affairs of the AWA in a reputable and fair manner, with a goal of supporting the AWA mission.

A. BOARD RESPONSIBILITIES

The general duties for the Board are to enforce the AWA’s governing documents, oversee the management of the AWA’s financial resources, and to fulfill the mission of the AWA, primarily ensuring the integrity of the Wagyu breed. To fulfill that responsibility, the Board shall:

- Review, maintain and obtain member approval of appropriate bylaws that promote and protect the interests of the AWA
- Recognize its primary role and work is long range and strategic
- Keep full and accurate records of its meetings and committees, and communicate decisions to the full membership, while keeping Board deliberations confidential
- Ensure all of the AWA’s Directors are actively involved in the work of the Board and its committees
- Engage proactively with the Executive Director and the elected President of the AWA to cultivate and maintain good relations with the AWA membership and parties related to the AWA
- Be accountable for the oversight of the AWA’s financial management and financial reports
- Create a conflict-of-interest policy that is reviewed with and signed by each individual Director

B. DIRECTOR RESPONSIBILITIES

The general duties for each individual Director are to:

- Actively support and promote the AWA's mission and policy positions
- Stay informed of AWA operations and issues by regularly attending, and reviewing in advance materials prepared for, Board meetings
- Focus on long range and strategic issues
- Recognize that authority is vested in the Board as a whole, not as individual Directors
- Accept and support Board decisions. Once a decision has been made, the Board speaks with one voice
- Keep all Board discussions and deliberations confidential
- Make reasonable inquiry before responding to member inquiries
- Guard against conflicts of interest, personal and business related

Some of these responsibilities are covered in additional detail below.

C. AWA BOARD OF DIRECTORS CODE OF CONDUCT

1. Focus on long range and strategic issues

Directors shall not become directly involved in management of specific issues unless directed to do so by the Executive Director or President.

- a. The President shall serve as liaison between the Board and the AWA management and provide direction on day to day matters.
- b. Except for the President, Directors may not give direction to the Executive Director, employees, or vendors.

2. Authority is vested in the Board as a whole

A Director who learns of an issue of importance to the AWA has the obligation to bring it to the Executive Director or President and must refrain from responding to the situation individually. Directors are encouraged to discuss AWA matters with members and stay informed of the membership needs and concerns as a valuable aspect of contributing to the governance of the association.

3. Accept and support Board decisions

Once a decision has been made the Board speaks with one voice and Directors shall act in accordance with Board decisions. Although they may disagree with the opinions of others on

the Board, they should respect their fellow Directors and support the Board position. Accordingly, Directors must focus on issues and refrain from personalizing the topics, conducting themselves with courtesy toward each other and toward the employees, vendors and members of the AWA.

4. Keep Board deliberations confidential

Directors are responsible for maintaining confidentiality of Board discussions and deliberations and of the AWA's confidential information. Directors shall not use confidential information for the benefit of themselves or their business. Except when disclosure is duly authorized or legally mandated, no Director may disclose confidential information. Confidential information includes, but is not limited to:

- Discussions and deliberations of Directors that occur during Board meetings and between Directors outside of Board meetings when discussing Board activities
- Any information related to members of the AWA, including individual member activities with the AWA and AWA staff
- Any information provided to the Board or to the AWA under an agreement of confidentiality
- Legal disputes in which the association is involved or has been notified confidentially. Directors may not discuss such matters with persons not on the Board without the prior approval of the AWA's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and a loss of confidentiality for the disclosed information.

5. Directors' interaction with member inquiries

To ensure efficient management operations, avoid conflicting instructions from the Board to the AWA's management and avoid potential liability, Directors shall observe the following guidelines:

- a. If Directors are contacted by members with complaints, the members shall be instructed to contact the Executive Director, the President or the Board as a whole.
- b. No Director may threaten or retaliate against a member who brings information in good faith to the Board regarding any matter.

D. ACKNOWLEDGMENT

I acknowledge that I have received and read AWA’s board governance and conduct policy and have had the opportunity to ask questions about such policy. I understand my obligations as a Director under this policy and will act in accordance with my obligations.

Signature: _____

Date: _____

Print Name: _____

Exhibit A - Continued
Amended and Restated Bylaws
CONFLICT OF INTEREST POLICY
BOARD OF DIRECTORS OF THE AMERICAN WAGYU ASSOCIATION

A conflict of Interest occurs when members of the Board of Directors (the “Directors”) of the American Wagyu Association (“AWA” or “Association”) make decisions that materially benefit themselves, their business, or related parties, at the expense of the Association or in a preferential manner not afforded to all members of the Association. Benefits include money, privileges, special benefits, gifts or other items of value. Accordingly, to avoid all Conflicts of Interest, no Director may:

- Solicit or receive any compensation from the Association for serving as a Director
- Make promises to vendors unless with prior approval from the Board of Directors (the “Board”)
- Solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves, business related to them, or their relatives from a person or company who has or is seeking a business or financial relationship with the Association
- Seek preferential treatment for themselves, businesses or related parties. This includes making business inquiries open to all Association members on a fair and equitable basis that are sent to the Association or to individual Directors in an official Director capacity.
- Use Association property, services, equipment or business for the gain or benefit of themselves, business related to them, or their relatives, except as is provided for all members of the Association.

WHEN CONFLICTS ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors should immediately raise such situations with the Board or Board President. If appropriate, the Board will seek guidance from the association’s legal counsel.

1. Disclosure & Recusal. Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in that in which they have a unique have a material interest. This does not apply to AWA matters that affect the membership at large.

2. Violations of Policy. Directors who violate the Association's conflict of interest policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the Board,
- request for resignation from the Board,
- recall by the membership, and
- legal proceedings.

Prior to taking any of the actions described above, the Board shall rely on the Ethics Committee to investigate the violation. The Ethics Committee will consist of the current President and the three prior Presidents. If the investigation involves the President, the 1st Vice President shall serve in lieu of the President on the Ethics Committee. The Ethics Committee shall review the evidence of violation, endeavor to meet with the Director believed to be in violation, confer with the Association's legal counsel, and present its findings and recommendations to the full Board for appropriate action. The Board shall endeavor to meet with the Director in executive session prior to imposing disciplinary action against that person.

D. ACKNOWLEDGMENT

I acknowledge that I have received and read the Association's conflict of interest policy and have had the opportunity to ask questions about the policy. I understand my obligations as a Director under such policy and will act in accordance with my obligations.

Signature: _____

Date: _____

Print Name: _____

EXHIBIT B

American Wagyu Association Bylaws

CONFLICT OF INTEREST POLICY EMPLOYEES OF THE AMERICAN WAGYU ASSOCIATION

A conflict of Interest occurs when employees (the “Employees”) of the American Wagyu Association (“AWA” or “Association”) make decisions that materially benefit themselves or related parties, at the expense of the Association or in a preferential manner not afforded to all members of the Association. Benefits include money, privileges, special benefits, gifts or other items of value. Accordingly, to avoid all Conflicts of Interest, no Employee may:

- Solicit or receive any additional compensation other than the agreed upon salary from the Association for being employed by the Association
- Make promises to vendors unless with prior approval from the Board of Directors (the “Board”) or within the scope of his/her employment
- Solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves, business related to them, or their relatives from a person or company who has or is seeking a business or financial relationship with the Association
- Seek preferential treatment for themselves or related parties. This includes making business inquiries open to all Association members on a fair and equitable basis that are sent to the Association in an official Employee capacity.
- Use Association property, services, equipment or business for the gain or benefit of themselves, business related to them, or their relatives, except as is provided for all members of the Association.

WHEN CONFLICTS ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Employees should immediately raise such situations with the President of the Association. If appropriate, the President will seek guidance from the association’s legal counsel.

1. Disclosure & Recusal. Employees must immediately disclose the existence of any conflict of interest, whether their own or others. Employees must withdraw from participation in decisions in that in which they have a unique material interest. This does not apply to the Association’s

matters that affect the membership at large or matters within the scope of employment with the Association.

2. Violations of Policy. Employees who violate the Association's conflict of interest policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- censure,
- removal from employment, and
- legal proceedings.

Prior to taking any of the actions described above, the Board shall rely on the Ethics Committee to investigate the violation. The Ethics Committee will consist of the current President and the three prior Presidents. If the investigation involves the President, the 1st Vice President shall serve in lieu of the President on the Ethics Committee. The Ethics Committee shall review the evidence of violation, endeavor to meet with the Employee believed to be in violation, confer with the Association's legal counsel, and present its findings and recommendations to the full Board for appropriate action. The Board shall endeavor to meet with the Employee in executive session prior to imposing disciplinary action against that person.

D. ACKNOWLEDGMENT

I acknowledge that I have received and read the Association's conflict of interest policy and have had the opportunity to ask questions about the policy. I understand my obligations as an Employee under such policy and will act in accordance with my obligations.

Signature: _____

Date: _____

Print Name: _____