

North American Limousin Foundation

By-Laws

ARTICLE I

Purposes

The North American Limousin Foundation (NALF) is a non-profit corporation organized under Colorado Law on June 20, 1968 for the purpose of developing, improving and promoting the Limousin breed of cattle in North America.

1. The Foundation will keep an accurate and complete herd book detailing the pedigrees and the record of ownership and will publish registration certificates.
2. The Foundation will gather performance information and issue performance summaries and reports necessary to make genetic improvement with the Limousin breed.
3. The Foundation will conduct an active promotion and publicity campaign to:
 - A. inform the beef industry of the benefits and advantages of Limousin cattle
 - B. increase the number of Limousin cattle in North America
 - C. increase membership in the Foundation
 - D. enhance the marketability of Limousin cattle
4. The Foundation will maintain educational programs to:
 - A. increase the understanding of the performance summaries and reports issued by the Foundation
 - B. increase the understanding of the genetics of beef cattle improvement and selection
 - C. increase the understanding of the beef industry and the relationship of Limousin to the industry
 - D. increase the awareness of the Foundation and the services available to its members
5. The Foundation may support research, conduct surveys or issue reports relating to Limousin, the beef cattle industry, marketing and merchandising, member services and other areas deemed useful by the Foundation's board of directors.
6. The Foundation may assist with or be directly involved in the importing or exporting of live cattle and genetic material such as semen or embryos.
7. The Foundation will be authorized to buy and sell property, land, equipment, supplies, research data, facilities and livestock anywhere in the world, and to contract for any and all such property or services as the board of directors may deem necessary to conduct the activities of the organization.

ARTICLE II

Records

In order to promote and maintain the high standards which have been established for the Foundation, each member shall be obligated.

1. to account faithfully, when requested by the Foundation, for all semen received from any source;
2. to record with the Foundation all animals owned by him/her with any degree of Limousin blood, as the Foundation may determine, and

3. to supply the Foundation on a continuing basis with all performance data and other information reasonably requested and required to advance the interests of the Limousin breed and the purposes of the Foundation, consistent with the articles of incorporation, by-laws, and rules and regulations.

ARTICLE III

Meeting of Members

1. Annual Meeting

An annual meeting of the members shall be held in conjunction with the National Western Stock Show in Denver, Colorado at a date, time, and location designated by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

2. Special Meetings

Special meetings of the members may be called by the president, the board of directors, or not less than one-tenth of the lifetime members and/or annual members who have voting rights.

3. Place of Meetings

The board of directors may designate any place, either within or outside the State of Colorado, and the meeting place for any annual or special meeting called by the board of directors. If no designation is made or if a special meeting should be called, the meeting place shall be the registered office of the Foundation in the State of Colorado. If all of the members meet at any time and place, either within or outside the State of Colorado, and consent to the holding of the meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

4. Notice of meetings

Notice stating the place, day and hour of any meeting of members shall be communicated via E-Partners (Limousin Latest) and the official breed publication, Limousin365 (where applicable due to quarterly magazine production).

5. Quorum

The members holding one percent of the votes which may be cast at any meeting shall constitute a quorum. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting at any time without further notice.

6. Manner of Acting

Any business to be voted on will require, for passage, a majority of votes for eligible members representing a quorum unless a greater portion is required by law or these by-laws.

7. Proxy Votes

Proxy votes for those not able to attend the meeting in Denver may be obtained from NALF. Lifetime members and/or annual members who have voting rights must request the proxy form in writing. The proxy form must be completed, signed and given to a lifetime member who will vote the proxy in Denver at the annual meeting. Lifetime members and/or annual members who have voting rights may not carry more than two proxy votes.

Voting by Proxy has been terminated effective January 1, 2007. Absentee Ballots have replaced Proxy Votes.

8. Absentee Ballots

Absentee ballots printed on official letterhead for those not able to attend the annual membership meeting in Denver may be requested no later than December 1st from the North American Limousin Foundation office. Lifetime and active annual members must request the absentee ballot in writing. Once received the absentee ballot must be completed in ink, casting votes for no more or less than five nominees, signed and mailed in the provided addressed envelope to the North American Limousin Foundation's official accountant.

9. Voting

Only those election ballots that include votes for exactly five candidates will be counted. *(effective beginning with the January 2010 election.)*

10. Nominating Procedures

- A. All prospective candidates must express their interest to the Nominating Committee by July 15 each year, and if the committee does not slate those interested persons, supporters then may add their candidates' names to the ballot via the at-large nomination process. *(effective beginning with the 2010-2011 election cycle)*
- B. To qualify as a member-at-large, the candidate must have at least 15 qualifying signatures from lifetime, founder or active annual members on either the petition style form available on the NALF web site or 15 individual qualifying letters of support from lifetime, founder or active annual members, or a combination thereof to be received in the NALF office no later than September 1.

ARTICLE IV

Parliamentary Procedure

Standard parliamentary procedure based upon Robert's Rules of Order will be followed at all meetings of the Foundation membership and all meetings of its board of directors. The president will preside at membership and director's meetings.

ARTICLE V

Indemnification

1. Third Party and Derivative Actions

The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completing action, suit or proceeding, whether civil, criminal, administrative, or investigative (including an action by or in the right of the Foundation), by reason of the fact that he/she is or was a director, officer, committee member, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid or necessarily incurred, in settlement or otherwise, by him/her in connection with such action, suit or proceeding, except in relation to matters as to which any such director, officer, committee member, agent, employee, person serving at the Foundation's request shall be adjudged in such action, suit liable for wanton and willful acts or omissions in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Such indemnification shall not be deemed exclusive of any other rights to which the director, officer, committee member, agent, employee, or other person serving at the Foundation's request is entitled to under any agreement, or otherwise.

2. Determination

Any indemnification under Section I of Article V (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case upon a determination that indemnification of the director, officer, committee member, employee, agent or person serving at the Foundation's request is proper in circumstances because he has met the applicable standard of conduct set forth in Section I of Article V. Such determination shall be made: (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; or, (b) if such a quorum is not obtainable, or even if obtainable, a quorum of the disinterested directors so directs, by

independent legal counsel in a written opinion; or (c) by the affirmative vote the majority of the members entitled to vote and be represented at a meeting called for such purpose; provided, however, if a director, officer, committee member, employee or agent of the Foundation, or person serving at the corporation's request has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section I of Article V or in defense of any claim, issue or matter therein, he/she shall automatically be indemnified against expenses (including attorney's fees) actually and necessarily incurred by him/her in connection therewith without the necessity of any such determination that he/she has met the applicable standard of conduct set forth in Section I of Article V.

3. Payment in Advance

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors as provided in Section 2 of this Article V upon receipt of a written affirmation or undertaking by or on behalf of a director, officer, committee member, employee, agent or person serving at the Foundation's request that such person has met the standard of conduct outlined in this Article V and that such person will repay such amount if and when it should ultimately be determined that such person is not entitled to be indemnified by the Foundation as authorized in Article V.

4. Insurance

The board of directors may exercise the Foundation's power to purchase and maintain insurance, on behalf of any person who is or was a director, officer, committee member, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, committee member, employee or agent against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Foundation would have the power to indemnify him/her against such liability hereunder or otherwise.

5. Other Coverage

The indemnification provided by Article V shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the articles of incorporation, these by-laws, agreement, vote of members or disinterested directors, the Colorado Nonprofit Corporation Act, or otherwise; both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, committee member, employee, agent or one serving at the Foundation's request and shall insure to the benefit of the heirs and personal representatives of such a person.

6. Limitations of Indemnification

No indemnified person of the Foundation shall have any right to reimbursement in relation to matters as to which such indemnified person shall be adjudged in such action, suit or proceeding to be liable either for wanton and willful acts or omissions in the performance of duty to the Foundation or on the basis that personal benefit was improperly received by such person.

ARTICLE VI

Membership

FOUNDER MEMBERS are the initial underwriters of the Limousin development program for North America. Not more than one hundred (100) of the founder memberships will be issued. Founder members carry the same entitlements as lifetime membership.

LIFETIME MEMBERS shall be owner-breeders of any breed or crossbred cattle which meet the requirements established in the rules and regulations for registration. Lifetime members and founder members are entitled to vote in the meetings of the Foundation and any person holding more than one membership as a lifetime or founder member shall be entitled to vote as many times as the number of memberships held.

As of June 1, 2004, the Foundation no longer offers new lifetime memberships.

ANNUAL MEMBERS (*established June 1, 2004*) shall be owner breeders of any breed or crossbred cattle which meet the requirements established in the rules and regulations for registration. Annual members who are current on their annual renewal fees are entitled to vote in the meetings of the Foundation and any person holding more than one Annual membership current on their annual renewal fees shall be entitled to vote as many times as the number of qualified Annual memberships.

JUNIOR MEMBERS shall be boys and girls under the age of twenty-one (21) years, who are interested in Limousin or Limousin- cross animals. Junior members are non-voting, but are entitled to record cattle at member rates if current on their Activity Fee.

ASSOCIATE MEMBERS are non-voting members who pay a one-time \$50.00 membership fee yet are assigned a membership number and a herd prefix. They are entitled to all work and services at double the member rate.

AFFILIATE BREEDERS are people who have had registered Limousin cattle transferred to them, but have not yet become members of the Foundation. Commercial cattlemen who have had registered bulls transferred to them and prospective members with Limousin cattle will be classified as affiliate breeders. Affiliate breeders can become members by filling out the membership application forms and paying the fees for membership.

PARTNERSHIPS will be made up of two or more lifetime members and/or annual members who wish to own cattle together. Partnerships allow the offspring of cows owned by the partnership to be recorded with the partnership prefix or the prefix of any of the partners' lifetime and/or annual memberships. Partnerships are primarily for embryo donor females owned by more than one person. Lifetime members and/or annual members can be added or deleted from the partnership at any time.

HONORARY MEMBERS are non-voting members who have been granted honorary membership in recognition of outstanding services or contribution to this Foundation on written recommendation of two (2) members, and when such recommendation is approved by the board of directors.

ARTICLE VII

Hearings and Appeals

1. General

The Foundation recognizes the importance to its members and other persons who enjoy its benefits and privileges of providing fair procedures in connection with the orderly and expeditious conduct of hearing and appeals.

2. Disciplinary Actions

Any person who violates the by-laws or the rules and regulations of the Foundation, or who deceives or wrongs the Foundation or another person in any matter in which the Foundation has any interest may, if a member, be censured, suspended or expelled and denied any or all of the privileges of the Foundation, or, if not a member, be denied any or all of the privileges of the Foundation, after notice and an opportunity to be heard, as hereinafter provided. Such additional or other penalties or restrictions on the exercise of the privileges of the Foundation as are deemed proper and appropriate may also be imposed.

3. Registrations and Transfers

If, in the opinion of the executive officer, evidence is produced or exists which raises reasonable doubt as to the propriety of the registration or transfer of an animal, the proceeding or records of the Foundation with respect to such animal and its descendants may be temporarily suspended by the executive officer. After notice and opportunity to be heard as hereinafter provided, the executive committee may deny any application for registration, or may expunge any existing registration or transfer found to be improper, or take such other steps as the nature of the case may require.

4. Animals with Genetic Defects or Other Conditions

If, under rules adopted by the Board of Directors, an animal or animals is designated as carrying or possessing a deleterious genetic defect or other condition, the owner of such an animal shall be promptly notified of the designation. The Foundation may take such action prior to a final determination as it deems necessary concerning the designated animal in order to fulfill the Foundation's purposes of improving, promoting and developing the Limousin breed or other animals registered with the Foundation. The provisions of this Article VII regarding notice, hearings and appeals shall apply to the designation of any animal as carrying or possessing a deleterious genetic defect or other condition.

5. Notice

Notices shall be in writing and shall be issued by the executive officer. They shall specify the alleged cause for the proposed censure, suspension or expulsion of a member or the denial of privileges to a member or to a person not a member and the alleged doubt as to the propriety of the registration or transfer of an animal, and inform the concerned or accused member or person not a member and any person appearing from the records of the Foundation to have an interest

in the registration or transfer of the time and place and the body before which a hearing on the matter will be held. The notice shall be in the form of certified postage prepaid to the person entitled to notice at his/her address as reflected on the records of the Foundation at least thirty days before the day of the hearing.

6. Hearings

Hearings shall be conducted by the executive committee (except that the executive officer shall not be a member of the executive committee for purposes of hearing conducted under this Article). In all hearings the following shall apply:

- A.** Any person interested may appear in person or by counsel and may offer testimony and other evidence and produce witnesses.
- B.** All oral testimony, documents, affidavits and physical exhibits that are relevant, material and have probative force, not being unduly repetitious, may be admissible and the executive committee shall determine the admissibility of such offered evidence and the weight to be accorded to the evidence admitted. The common law or statutory rules of evidence shall not apply at the hearings. The members of the executive committee shall designate one of their numbers to serve as presiding officer at the hearing to rule on all motions, objections and other questions.
- C.** As promptly as reasonable and practicable after the conclusion of the hearing, the executive committee shall render a written decision based upon all evidence presented to it at the hearing. A majority vote of the members of the executive committee participating shall be required on any decision. A copy of the written decision shall be sent by the executive officer to each person who was entitled to notice of the hearing in the manner provided for the giving of such notice.

7. Appeals

Any interested person aggrieved by a decision of the executive committee may by a notice in writing signed by him/her and received at the principal office of the Foundation not more than 30 days after a copy of the decision has been sent to such person, appeal such decision to the board of directors. In all appeals the following shall apply:

- A.** The executive officer shall transmit to the board of directors the transcript of the proceedings before the executive committee, including its decision thereon.
- B.** At the direction of the director, who will preside over the hearing of an appeal, the executive officer shall give notice in writing in the manner provided for the giving of notice of a hearing to each person who was given notice of the executive committee hearing. This notice shall specify the time, not sooner than 30 days after the giving of such notice, and the place where the board of directors will hear the appeal.
- C.** Any person having an interest in the appeal may appear in person or by counsel, but no testimony shall be given and no evidence shall be submitted. The decision of the board of directors on the appeal shall be based solely upon a review of the transcript of the proceedings before the executive committee and consideration of the arguments of persons entitled to the notice of the appeal.
- D.** No member of the executive committee shall participate in any way at the appeal hearing.
- E.** As promptly as reasonable and practicable after the conclusion of the hearing on the appeal, the board of directors shall decide the matter as right and justice require, with power and discretion to affirm, reverse or revise, making more or less severe the decision of the executive committee, or to remand for a rehearing of the matter. The decision of the board of directors shall be in writing. A majority vote of the members of the board of directors participating shall be required on any decision. The executive officer shall promptly send a copy of the board's written decision to each person having an interest in the appeal in the manner provided for the giving of notice of the hearing of the appeal. The decision of the board of directors, or that of the executive committee, if no appeal is made, shall be the final decision of the Foundation and may be published in the Foundation's newsletter or other publication.

8. Miscellaneous

Every decision of the executive committee shall stand as the decision of the board of directors until reversed or revised or otherwise ordered by the board of directors. The executive committee may restore privileges, including membership, to any person who has been denied such privileges, upon application and satisfactory showing by such person

that restoration of privileges is warranted. The sole official record of proceedings before the executive committee or the board of directors shall be that produced in a manner approved by the board of directors. Copies of the transcript of the hearing shall be made available to any person having an interest in the proceedings upon payment to the Foundation, in advance, of the reasonable cost thereof. Hearings for purposes other than those specified in this article may be held as the executive committee or board of directors may, from time to time, determine. The executive committee and board of directors shall have the sole and exclusive right to interpret and apply the provision of this article.

ARTICLE VIII

Board of Directors

1. General Power and Authority

Subject to the provisions of the law and of the articles of incorporation, the board of directors shall have control of the Foundation's affairs, including the general direction and management of the properties, business, and operation of the Foundation; the appointment and employment of any and all such agents and employees as it deems advisable and the compensation and terms of office of each, and the delegation of powers to certain standing or special committees as the board of directors shall from time to time specify and provide.

2. Number, Tenure, and Qualification

The board of directors shall be composed of fifteen (15) founder, lifetime or active annual members of the Foundation. Five (5) directors shall be elected at each annual meeting of the members for a three-year term. If the immediate past-president's elective term as a director shall expire prior to the time when his/her successor as president is replaced, then he/she shall continue as ex-officio voting member of the Board, in addition to the fifteen elected members, until his/her said successor is replaced. A director may be elected for two consecutive terms, after which time a period of one year must elapse before being re-nominated for election to the board. A partial term by election of the membership will count as a full term for the purpose of this paragraph, but service as a director by election of the board of directors until the next annual membership meeting will not count as a term for such purpose. The board may remove a director for failure to attend two consecutive meetings. No member may be elected as a director if his/her election would result in there being more than two directors from any one state serving on the board of directors at any one time (without counting an immediate past president serving ex-officio). If, in an election for directors, there shall be more candidates from one state than could serve under this rule, then the candidate or candidates from that state receiving the higher number of votes in the election shall become directors to the extent permitted by this rule.

3. Vacancies

All vacancies occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors, and each director elected to fill such a vacancy shall serve until the next annual meeting, when any vacancy shall be filled for the remainder of the vacant term by vote of the members.

4. Nominating Committee for the Board of Directors

The nominating committee for the board of directors shall consist of the following: Two immediate past presidents; two current board members not up for re-election; and three at-large members who may be past board members but not current board members. The most immediate past president, not serving on the board, shall serve as chairman of the nomination committee. The names of the nomination committee shall be published via E-Partners, (Limousin Latest) by June 1 and listed in Limousin 365 in the July publication. The committee's recommendations along with qualified at-large candidates shall be published in the October issue of the Limousin365 and communicated via E-Partners (Limousin Latest by October 15).

5. Annual Meeting of the Board of Directors

The annual meeting of the board of directors shall be held immediately following the annual membership meeting without notice other than this by-law.

6. Regular Meetings of the Board of Directors

At least one regular meeting of the board of directors, in addition to the annual meeting, shall be held each calendar year. Further, the board of directors may, by resolution at any time, provide for the holding of additional regular meetings. Regular meetings shall be held at such time and place upon such notice as shall be specified by the board of directors.

7. Special Meetings of the Board of Directors

Special meetings of the board may be called by the president on three (3) day notice to each director, either personally, or by mail, or by telephone or telegram. Special meetings shall be called when requested in writing by three (3) or more members of the board. The notice of the meeting shall specify the date, time, place, and the business to be transacted at the meeting. Specifications of the business to be transacted at the meeting shall not preclude the consideration at the meeting of other routine business, or business that was not contemplated at the time the notice was sent.

8. Quorum

At all the meetings of the board, a majority of the directors then holding office shall be necessary and sufficient to constitute a quorum for the transaction of business. A majority of the directors present at such a meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient directors to leave less than a quorum.

9. Presumption of Assent

Any director present at any meeting of the board of directors shall be presumed and deemed to have assented to any and all action taken at such meeting unless the director shall register a dissent to the action and such dissent shall be recorded in the minutes.

10. Compensation

By resolution of the board, the directors may be reimbursed for expenses incurred by them in attending any board meetings. Directors are not reimbursed for expenses incurred in attending the annual membership meeting and any meetings during the National Western Stock Show.

11. Member Attendance at Board of Directors' Meeting

Any person requesting to attend a North American Limousin Foundation (NALF) board meeting for a reason directly related to the operation or function of the North American Limousin Foundation and/or its membership may do so by acquiring permission from the executive officer. Requests will be accepted by any means of communication. All requests must be made 30 days prior to the scheduled date of the meeting. Persons requesting admittance to the NALF board meetings will normally be allotted time immediately following the roll call and will be asked to leave the meeting upon completion of his or her business. Not more than one person will be allowed to represent one request, and the board of directors will not accept more than two requests at any scheduled board meeting.

ARTICLE IX

Officers

1. Officers

The officers of NALF shall be a president, a vice president, an executive officer, a secretary, and a treasurer, and such additional officers including but not limited to assistant vice presidents, assistant secretaries and assistant treasurers, as the board of directors may at any time and from time to time deem advisable. Lifetime, founder, and annual members who have voting rights shall be eligible for election to such positions. The president, vice president and secretary must be members of the board of directors. Two (2) or more offices may be held by the same person except the president may not hold the office of secretary.

2. Election, Tenure and Removal

All officers of the Foundation shall be elected by the board of directors at its annual meeting by secret ballot. The composition of the officer slating committee shall include all active, willing, retiring board members and the three active, immediate past presidents willing to serve on the committee. The presiding NALF president is responsible for determining the willingness of retiring board members and the three immediate past presidents to serve on the committee. In the event that one or more of the three immediate past presidents are either inactive or not willing to serve, the presiding president is responsible for contacting the next most immediate active past president(s) and soliciting their service on the officer slating committee. The chairman of the officer slating committee shall be the current or most recent ex-officio whose term on the board has expired.

3. President

The president, subject to the control of board of directors, shall: (a) sign, either alone or with the secretary, treasurer or proper officer, all certificates of membership, contracts, deeds, mortgages, leases, and other documents and instruments upon which the president's signature is authorized or required by law; (b) call all meetings of the membership; and (c) perform all duties and functions as may be restricted by the board of directors, as well as all duties and functions properly conferred upon or required of the president by the board of directors.

4. Vice President

The vice president shall assume the duties of the president in the event of the president's absence or resignation from office. The vice president may be designated by the president to act on behalf of the president in fulfilling any of the presidential duties.

5. Executive Officer

The executive officer (Executive Vice President or Executive Director) shall be appointed by the board of directors to be the managing, administrative, and clerical officer of this Foundation. The executive officer shall be empowered by the board of directors to act as the authorized representative of the board in hiring, discharging, directing the duties, salaries, and other compensation of employees of the Foundation. The executive officer shall be the legal custodian of all the books, papers, deeds, instruments and records of the Foundation, and shall appoint such employees as may be deemed necessary for the effective conduct of the business of the Foundation, and the maintenance of the herd books and records. The executive officer shall perform the duties described in the by-laws in the section referring to hearings and appeals.

ARTICLE X

Executive Committee

1. Members and Duties

The executive committee shall consist of the president, who will act as chairman of this committee; the vice president; the executive officer; the secretary; the treasurer; and one or more additional directors, as appointed by the board of directors. It shall be the duty of the executive committee to conduct the affairs of the Foundation between the directors' meetings and to carry out the instructions of the board of directors. Each retiring president of the Foundation shall be an ex-officio voting member of the executive committee until such time as the successor in office is replaced by a newly elected president.

2. Term of Office

Each member of the executive committee shall continue as such until a successor in office is elected or appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee, or unless such member shall cease to qualify as a member thereof.

3. Quorum

Unless otherwise provided in the resolution of the board of directors, a majority of the whole executive 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 executive committee.

4. Rules

The executive committee may adopt rules for its own government not inconsistent with these by-laws or with rules adopted by the board of directors.

ARTICLE XI

Past Presidents Council

The past president's council is to be composed of all active past presidents who are willing to serve. The past president's council will serve in an advisory capacity at the pleasure of the NALF board.

ARTICLE XII

Establishing Rules and Regulations

The board of directors shall establish rules and regulations governing recording, entries, and transfers in the records maintained by the Foundation, and determine fees to be paid for such entries and transfers and the issuance of certification. These rules shall be binding upon members and upon all persons who apply for registration, transfers or other action pertaining to the services of the Foundation.

ARTICLE XIII

Amending the By-Laws

These by-laws may be amended by a vote of the majority of the members of the board of directors. In order for an amendment in NALF's by-laws to be affected, the proposed amendment must be submitted by the sponsor of such an amendment to the board of directors at least 30 days prior to the date of the board meeting, at which time it will be brought before the board and voted upon.

ARTICLE XIV

Certificates of Membership

1. Certificates of Membership

The Board of Directors may provide for issuance of certificates evidencing membership in the Foundation, which shall be in such form as may be determined by the board. Such certificates shall be signed by the president or vice president and by the executive officer and shall be sealed with seal of the Foundation. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Foundation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the board of directors may determine.

2. Issuance of Certificates

When a person has been admitted to membership and has paid any dues that may then be required, a certificate of membership shall be issued in his/her name and delivered to him/her by the Foundation, if the board of directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of Article XIV.

ARTICLE XV

Non-liability of Foundation

The Foundation, its board of directors, executive committee and employees shall use diligence in securing true information in connection with the registration of animals, the transfer of registration certificates and in all other matters relating to Foundation activities. Neither the Foundation nor its board of directors, executive committee, officers, committee members or employees or agents shall be liable in any way, whether by damages or otherwise, for the transfer of a certificate of registration, for the refusal to issue or transfer any certificate of registration, for the cancellation of any certificate of registration, for any disciplinary proceeding brought against or penalties imposed on any member or other person or for any other activity engaged in by or on behalf of the Foundation.

ARTICLE XVI

Cattle Abnormalities

1. To promote, improve, and develop the cattle registered with the Foundation, the Foundation shall receive, maintain and monitor information which might affect an animal's use or value. The Board of Directors shall determine those deleterious genetic factors or other conditions that are considered undesirable to the cattle registered with the Foundation. The Board of Directors may formulate a system of classification of animals based on any information received or maintained regarding deleterious genetic factors or other conditions.
2. The Foundation, without it or any of its officers, directors, employees or agents becoming liable in damages therefore, may, as it deems necessary or convenient, and in such manner as it chooses, release or publish information as it pertains to any registered animal or animals.
3. The Board of Directors shall adopt rules to implement the provisions of this Article and all Foundation members and other persons who register animals, transfer registration certificates or otherwise use the privileges of the Foundation shall be subject to and abide by these rules.

ARTICLE XVII

Indirect Cost Policy

In view of its status as a non-profit institution and its desire to maximize the direct impact from its research funding dollars, it is the official policy of the North American Limousin Foundation and its entities not to pay facility, administrative or other indirect and overhead costs for research projects funded by the Association and its 501(c)3 not-for-profit entity North American Limousin Educational Foundation.