

# BYLAWS

## NATIONAL COUNCIL OF STATE AGRICULTURAL FINANCE PROGRAMS

### ARTICLE I

#### MEMBERSHIP

Section 1. Eligible Organizations. The membership of the Council shall consist of organizations authorized by any state to conduct agricultural finance programs. The Council will determine the eligibility requirements for Core Memberships and Associate Memberships. The Council will also establish the requirements for Business Associate Sponsors, who will not be considered as members. Disputes as to the eligibility of an organization for membership shall be resolved in a manner solely determined by the Board of Directors.

Section 2. Authorized Member Representatives. Each member organization shall participate in meetings of the members or otherwise in the business of the Council by way of a natural person who is an authorized representative of said member organization. Disputes as to who shall be recognized as the authorized representative of a member organization shall be resolved in a manner solely determined by the Board of Directors.

Section 3. Meetings. An annual meeting of the members shall be held once during each calendar year, as determined by the Board of Directors. Additional special meetings of the members may be called by the President or by any member of the Board of Directors. Such additional special meetings shall be held as determined by the person or persons calling the meeting.

Section 4. Notice of Meetings. Notice stating the time and place of any general meeting of the members shall be delivered no less than ten days before the date of the meeting. Special meetings of the members shall state the purpose for which the meeting is called.

Section 5. Rights and Responsibilities. The rights and responsibilities of the members shall be limited solely to the right to vote upon the election of directors and to vote upon any such other matter.

Section 6. Quorum and Voting. Members holding one-third of the votes entitled to be cast on a matter to be voted on, shall constitute a quorum. Each member in good standing is entitled to one vote. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the members. Members cannot vote or be present at meetings by proxy.

Section 7. Good Standing and Dues. Any organization qualified for membership shall be considered a member in good standing upon the payment of all current dues assessed against it. Only members in good standing shall be eligible to enjoy or exercise the rights, privileges and responsibilities of membership. All current dues shall be due and payable on January 1 and shall be deemed delinquent if unpaid on or before April 1 of each fiscal year.

“Current dues” means the sum of the annual membership dues, the amount of which shall be determined by the Board of Directors, plus any additional dues in excess of the annual membership dues assessed

against the members by the Board of Directors which in its sole discretion it determines to be necessary to defray the cost and expenses of the activities of the Council.

Section 8. Transfer of Membership. If the authorization of a member organization to conduct agricultural finance programs is transferred or reassigned to a successor state organization, membership in the Council shall be deemed transferred to such successor state organization.

Section 9. General Privileges of Members. Membership in the Council is a privilege not a right. While in good standing, all members shall have equal rights, interests or responsibilities with respect to the Council and its properties and shall obey and be bound by these by-laws and all decisions and actions of the Board of Directors.

## ARTICLE II

### BOARD OF DIRECTORS

Section 1. Authority and Designation. All powers of the Council shall be exercised by or under the authority of, and the business and affairs of the Council shall be managed under the direction of, the Board of Directors.

Section 2. Qualifications for Directorship. Only those organizations that are in good standing and have paid their Council dues on or before April 1 of the current year may be eligible to have one of its authorized representatives be elected to serve as a director. A director shall be an individual person employed by the organization in good standing that serves as its authorized representative. Any director who shall cease to be the authorized representative of a member organization shall automatically be disqualified as a director and his or her position shall be deemed vacant.

Section 3. Number of Directors and Tenure. The Board of Directors shall consist of seven directors serving three-year terms, commencing with their qualification and election. The directors shall be elected by a majority of the members at the annual meeting of the members at which a quorum is present. Directors can serve a maximum of two consecutive terms and shall remain off the Board for at least one year before being eligible for re-election. It is the desire and expectation of the Council that directors will serve in Officer positions (as elaborated on in Article IV).

Section 4. Vacancy. In the event of a vacancy on the Board of Directors, for any reason whatsoever, the remaining directors shall have the power to do ~~any one of~~ the following:

- (a) Appoint a person to fill the vacancy from among the authorized representatives of the member organizations in good standing, who have the qualifications to be elected; any person so appointed shall hold office for the balance of the unexpired term; or
- (b) Decline to fill the vacancy and submit the election of a successor director to a vote of the members at the next special or annual meeting.

Section 5. Meetings. See Article I, Section 3 and Section 4.

Section 6. Quorum and Voting. A majority of the voting directors shall constitute a quorum for the transaction of business at a meeting of the Board of Directors. An act of the majority of directors present at Board of Directors meeting at which a quorum is present shall constitute an act of the Board of Directors. Directors cannot vote or be present by proxy at meetings of the Board of Directors.

### ARTICLE III

#### COMMITTEES

Section 1. Additional Committees. The Board of Directors, may, designate such committees as they deem necessary and elect the membership thereof. All such committees shall have their duties and responsibilities, determined by the Board of Directors.

Section 2. Audit Committee. The President shall designate three members to serve on an Audit Committee to conduct an annual audit of the Council's financial information and report its findings during the annual meeting.

Section 3. Nominating Committee. The President shall appoint three members to serve on a Nominating Committee to consult with members in good standing, who most likely would have an interest to serve on the Board of Directors and possibly as an Officer, and to propose a slate of directors and officers for the members to consider electing at the annual meeting.

### ARTICLE IV

#### OFFICERS

Section 1. Officers. The officers of this Council shall consist of a President, Vice President, Secretary, and Treasurer elected by members in good standing.

Section 2. Qualifications of Officers. No one shall be eligible to be elected President, Vice President, Secretary or Treasurer who is not a director.

Section 3. Removal of Officers. Any officer elected by the membership may be removed by the membership whenever in its judgment is in the best interests of the Council.

Section 4. Vacancies. A vacancy in an officer position, for any reason whatsoever, may be filled according to Article II, Section 4, of the bylaws.

Section 5. President. The President shall preside at all meetings. The President shall have a right to vote on all matters coming before the meeting.

Section 6. Vice President. In the absence of the President, and in the case of the President's inability or refusal to act, the Vice- President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions imposed upon, the President. The Vice President shall perform such other duties as are provided for in these by-laws and as may be assigned to the Vice President by the President or by the Board of Directors.

Section 7. Secretary. The Secretary shall make and preserve complete records of all meetings of members and the Board of Directors. The Secretary shall also keep a register of each member as furnished to the Council by such member. The Secretary shall in general perform all duties incident to

the office of Secretary and such other duties as are provided for in these by-laws and as may be assigned to the Secretary by the President or the Board of Directors.

Section 8. Treasurer. The Treasurer shall have charge and custody and be responsible for all assets of the Council, including receiving and issuing receipts for money due and payable to the Council from any source whatsoever, and depositing all such monies in the name of the Council in any such banks, trust companies or other depositories as shall be approved by the Board of Directors. The Treasurer shall disburse funds of the Council only upon written consent of the President, or by action(s) approved by the Board of Directors. The Treasurer shall make a report of the financial condition of the Council at the annual meeting of the members and shall from time to time make such additional reports as may be requested by the Board of Directors. The Treasurer shall in general perform all duties incident to the office of Treasurer and such other duties as are provided for in these by-laws and as may be assigned to the Treasurer by the President or the Board of Directors.

Section 9. Outsourcing Officer Duties. The Board of Directors may choose to appoint a non-member contractor, whether a person or another organization, to perform some or all of the duties of Secretary and/or Treasurer. Such appointment shall require a written summary of expectations that have been agreed upon by the Board of Directors and signed by the Council President and the person authorized to sign on behalf of the contractor. Changes to, or relinquishment of, this appointment must be approved by the Board of Directors and signed by the Council President.

#### ARTICLE V

##### SEAL

This Council shall not have a corporate seal; provided however, that this Article shall in no way prohibit the Council from utilizing any insignia, emblem, logo, trademark, or other design for communication or identification purposes.

#### ARTICLE VI

##### FISCAL YEAR

The fiscal year of the Council shall commence on July 1 and shall close on June 30 next succeeding.

#### ARTICLE VII

##### AMENDMENTS

These by-laws may be amended, repealed, or altered in whole or in part by a majority of states present at any meeting of the Council, with one vote from each member state.