

ARTICLE I
NAME AND PURPOSE

- SECTION 1 **Name.** The name of the organization shall be Alaska Peony Growers Association, Inc. (APGA). It shall be a nonprofit organization incorporated under the laws of the state of Alaska.
- SECTION 2. **Purpose.** The Corporation is organized for exclusively religious, charitable, educational and scientific purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under said Section 501(c)(6) of the Internal Revenue Code of 1986. Specifically, the Corporation will support Alaska Peony Growers through education and resources.

ARTICLE II
OFFICES

The principal office of the Corporation in the State of Alaska, shall be located in the Borough of Kenai Peninsula. The Corporation may have such other offices, either within or without the State of Alaska, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE III
MEMBERSHIP

Membership in the organization shall be open to all who subscribe to the stated purposes of the Corporation.

SECTION 1. **Types of Memberships:**

1. **Commercial Grower Members:** Commercial grower members are individuals or farms actively growing peonies for commercial production. Commercial grower members must have a minimum of 500 peonies planted in Alaska specifically for commercial use. Currently, commercial growers are automatically members of the Board of Directors.
2. **Associate Members:** Associate members are Alaska residents interested in the commercial peony industry but either do not qualify for commercial grower status or do not wish to be a commercial

grower member. Associate members are entitled to vote for a single representative on the Board of Directors to represent their interests in the organization. Associate members are not otherwise entitled to vote for officers or expenditure of funds.

3. **General Members:** General members include individuals, farms, private organizations and companies, or government agencies. General members do not have voting privileges.

SECTION 2. **Annual Meetings.** An annual meeting of the membership shall be held during the first quarter of each fiscal year at a time to be called by the President at which time members to serve on the Board of Directors shall be elected.

SECTION 3 **Notification.** The Secretary shall send a notice to each member in good standing not less than twenty (20) days prior to the annual meeting, stating the time, date, and place for the meeting.

SECTION 4 **Nominations for Board of Directors.** Prior to the annual meeting, a person designated by the Board shall poll all members for nominations for open seats on the Board of Directors.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1. **General Powers.** The business and affairs of the Corporation shall be managed by its Board of Directors (the Board).

SECTION 2. **Size and Terms.** The number of directors of the Corporation shall be fixed by the Board, but in no event shall be less than three (3). Each director shall hold office for two years unless duly removed as prescribed in Article V.

SECTION 3. **Regular Meetings.** Regular Board meetings shall be held once per quarter of each year the day of which shall be called by the President. The Board may hold additional regular meetings with notice as described in Section 5.

SECTION 4. **Special Meetings.** Special meetings of the Board may be held when a majority of the Board mutually agrees to convene and at least 24-hours notice is given by telephone or in person to the rest of the Board.

SECTION 5. **Notice.** Notice of any meeting shall be given at least two weeks

previous thereto by written notice delivered personally, mailed to each director at his business address, or by electronic mail. Any director may waive notice of any meeting. The attendance of a director at a 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.

- SECTION 6. **Quorum.** A majority of the number of directors fixed by Section 2 of this Article IV shall constitute a quorum for the transaction of business at any meeting of the Board. A quorum shall not be established if more than 50 percent of such quorum is related by blood or marriage or otherwise have joint financial interests, such as business partnerships, etc. A majority of the directors present may adjourn the meeting without further notice when less than a majority is present.
- SECTION 7. **Manner of Acting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.
- SECTION 8. **Action Without a Meeting.** Any action that may be taken by the Board at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors.
- SECTION 9. **Vacancies.** Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board, unless otherwise provided by law. A director elected to fill a vacancy shall be elected for the remaining term of his predecessor's. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board for a term of office continuing only until the next election of directors.
- SECTION 10. **Compensation.** No director or officer shall for reason of his/her office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director from receiving any compensation from the organization for duties other than as a director or officer.
- SECTION 11. **Presumption of Assent.** A director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action

taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to director who voted in favor of such action.

ARTICLE V
OFFICERS

SECTION 1. **Number.** The officers of the Corporation shall be a President and a Secretary both of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board, including a Chairman of the Board. In its discretion, the Board may leave unfilled for any such period as it may determine any office except those of President and Secretary. Any two or more offices may be held by the same person, except for the office of the President.

SECTION 2. **Election and Term of Office.** The officers of the Corporation shall serve a term of two years. The President shall be elected during odd-numbered years and the Secretary shall be elected during even-numbered years. The election of other officers shall likewise be adjusted so that approximately one-half of the officers are elected on alternating years. Elections shall be held annually at the first meeting of the Board or as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. **Removal.** Any officer, agent, or director may be removed by a unanimous vote of the Board whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer, agent, or director shall not of itself create contract rights, and such appointment shall be terminable at will.

SECTION 4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

SECTION 5. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings of the Board, unless there is a Chairman of the Board in which case the Chairman shall preside. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. The President shall not have veto power.

SECTION 6. Secretary. The Secretary shall: (a) Keep the minutes of the proceedings of the Board in one or more minute books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) Keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and (e) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

ARTICLE VI INDEMNITY

The Corporation shall indemnify its directors, officers and employees as follows: (a) Every director, officer, or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of his being or having been a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the corporation, partnership, joint venture, trust or enterprise, or any settlement thereof, whether or not he is a director, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the director, officer, or employee

is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Corporation. (b) The Corporation shall provide to any person who is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the corporation, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law. (c) The Board may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article VI

**ARTICLE VII
CONFLICTS OF INTEREST**

SECTION 1. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit and charitable organizations.

SECTION 2. Definitions.

2.1 Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement, (b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3.2, a person who

has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 3. Procedures.

3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest.

- (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors

whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy.

- (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. Records of the Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain: (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest is present, and the governing board's or committee's decision as to whether a conflict of interest in fact exists. (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. Compensation.

- 5.1 A voting member of the governing board who receives compensation, directly or indirectly, from the Organization is precluded from voting on matters pertaining to that member's compensation.
- 5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded

from voting on matters pertaining to that member's compensation.

- 5.3 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- 5.4 The majority of the Board will be non-salaried and will not be related to salaried personnel or to parties providing services. In addition, all compensation decisions will be made by the Board.
- 5.5 Further, all compensation paid will be reasonable and will be based on the following factors: (a) the type and amount of compensation received by others in similar positions, (b) the compensation levels paid in our particular geographic community, (c) the amount of time the individual spends in their position, (d) the expertise and other pertinent background of the individual, (e) the size and complexity of our organization, and (f) the need of our organization for the services of the particular individual.

SECTION 6. Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person: (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. The President is responsible for ensuring the annual statements are submitted.

SECTION 7. Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for

goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SECTION 8. **Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. **Contracts.** The Board may authorize any officer or officers, agent or agents, 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.

SECTION 2. **Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

SECTION 3. **Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 4. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

ARTICLE IX

FISCAL YEAR

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

ARTICLE X

CORPORATE SEAL

The Board of Directors may at its discretion provide a corporate seal, which shall be

circular in form and shall have inscribed thereon the name of the Corporation and the State of incorporation and the words, "Corporate Seal".

**ARTICLE XI
WAIVER OF NOTICE**

Unless otherwise provided by law, whenever any notice is required to be given to any director of the Corporation under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the applicable Business Corporation Act, 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 deemed equivalent to the giving of such notice.

**ARTICLE XII
AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws adopted when necessary by a two-thirds majority of the Board.

**ARTICLE XIII
DISSOLUTION**

The Corporation may be dissolved at any time by the written consent of not less than three-fourths of the commercial grower members in good standing. In the event of the dissolution of the Corporation, whether voluntary or involuntary, or by the operation of law, none of the property, proceeds, nor assets of the Corporation shall be distributed to any member. After payments of Corporation debts, all property and assets shall be given to a nonprofit charitable organization in Alaska selected by the Board.

The above Bylaws were approved and adopted by the Board of Directors of the Corporation on the 4th day of May, 2009.

Janice T. Hanscom, Secretary