

COUNTY FARM BUREAU
RELATIONSHIP AGREEMENT

THIS AGREEMENT is a memorandum of understanding among Michigan Farm Bureau and the various County Farm Bureaus, which are associated together in the Michigan Farm Bureau. It states the procedure for effecting a unified program throughout the State of Michigan. This Agreement is effective September 1, 2019 by and between _____ County Farm Bureau, a Michigan non-profit corporation with offices located in _____, Michigan and hereinafter referred to as the "COUNTY FARM BUREAU," and Michigan Farm Bureau, a Michigan non-profit corporation with principal offices located at Lansing, Michigan and hereinafter referred to as "MFB".

WHEREAS, the COUNTY FARM BUREAU and MFB are general farm organizations operating within the State of Michigan and affiliated with the American Farm Bureau Federation, a general farm organization that is national in scope, both having memberships that are substantially identical in character and having similar aims and objectives, including, but not limited to, the betterment of the conditions of those engaged in agriculture, the improvement of the grade of their products, and the development of a higher degree of efficiency in their occupation.

WHEREAS, the COUNTY FARM BUREAU AND MFB are desirous of coordinating the activities of their respective officers and personnel within their respective fields of endeavor to the end that sound and effective national and state legislation may be adopted and administered; that effective member relations may be maintained to build loyalty and understanding through membership participation; that proper and satisfactory public relations programs and other services may be established and maintained; that needed business and member services may be developed; that desired cooperative marketing, bargaining, and distribution may be organized and fostered; that all County Farm Bureaus have an opportunity to participate fully in MFB programs; and that proper information in respect to all such activities may be available to members and to other County, State, or National Farm Bureau approved organizations and persons; and

WHEREAS, the COUNTY FARM BUREAU and MFB have agreed that it is desirable to maintain and increase their memberships, and that the responsibility for carrying on a program to maintain and increase such memberships rests primarily with the COUNTY FARM BUREAU; and

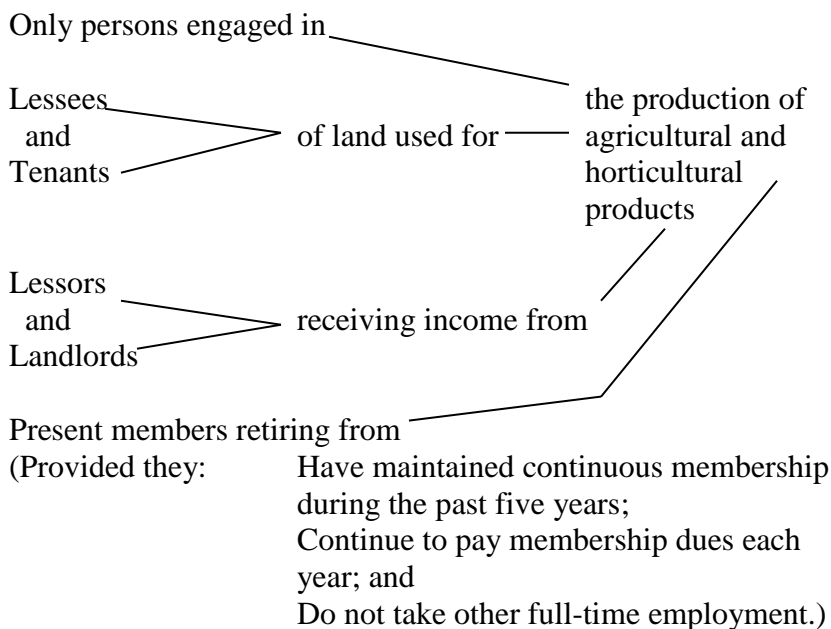
WHEREAS, the COUNTY FARM BUREAU and MFB believe that a proper portion of membership dues should be returned to the COUNTY FARM BUREAU for the services and programs provided by the COUNTY FARM BUREAU.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement and other good and valuable considerations, the COUNTY FARM BUREAU and MFB hereby agree as follows:

I. The COUNTY FARM BUREAU shall:

A. With regard to membership:

1. Have full responsibility and authority, through the COUNTY FARM BUREAU Board of Directors, for final determination of eligibility and classification of membership in the COUNTY FARM BUREAU.
2. Accept the following Guidelines and organizational procedures to effect a common understanding among all County Farm Bureaus of the interpretation of membership qualifications and methods of determining eligibility.
 - a. Be governed at all times in the acceptance and renewal of its members by the qualifications of membership as determined by delegate action and set forth in the MFB Bylaws as follows:



- b. Maintain a file of all current Membership Agreements.
 - c. COUNTY FARM BUREAU Board of Directors shall have the right to accept Associate Membership for those persons who do not qualify under paragraph 2.a., above, but who have an interest in agriculture and in furthering the objectives of the COUNTY FARM BUREAU and MFB.
3. Appoint a membership committee which shall be authorized to act for the COUNTY FARM BUREAU in matters pertaining to acquisition and maintenance of membership.
4. Authorize the collection of membership dues, and campaign for new members in order to maintain current COUNTY FARM BUREAU members and to add to the total membership.

5. Accept a date for each membership which shall be the anniversary date for that membership and shall be the date on which the membership dues are payable.
6. Allow each member a period of thirty (30) days beyond the member's anniversary date in which to pay membership dues before action is taken to terminate all member programs.
7. With board approval, accept members who reside within the county; provided, however, that the COUNTY FARM BUREAU may accept and service members who reside in another county, except that an individual may not be a regular member of more than one County Farm Bureau.
8. Abide by the provisions of the MFB Bylaws pertaining to the County Farm Bureaus.

B. With regard to finance:

1. Annual Membership Dues

a. Assume responsibility for a program designed to maintain a COUNTY FARM BUREAU in _____ County, Michigan. From September 1, 2019 until August 31, 2020, COUNTY FARM BUREAU will receive sixteen and 25/100 dollars (\$16.25) per member.

b. Receive from MFB, within fourteen (14) working days after MFB's receipt of membership dues, the portion described in Section I(B)(1)(c).

c. Beginning on September 1, 2020 COUNTY FARM BUREAU shall receive from MFB a portion of the annual dues paid by COUNTY FARM BUREAU members to MFB under, and subject to, Article X of the MFB Bylaws. Such portion is described, below. The process for changing the portion paid by MFB to COUNTY FARM BUREAU is described in Section I(B)(1)(d). The COUNTY FARM BUREAU shall receive from MFB:

(i) Sixteen and 25/100 Dollars (\$16.25) per member,

MINUS:

(ii) 80% of dues generated from all associate memberships in the COUNTY FARM BUREAU over 5,000 and less than 10,000, and 90% of dues generated from all associate memberships of 10,000 and greater (the funds from this subparagraph, collectively from all COUNTY FARM BUREAUS, shall constitute the "Pool"),

PLUS:

(iii) a Pool Payment.

A "Pool Payment" for the COUNTY FARM BUREAU will be the COUNTY FARM BUREAU'S pro rata share of the Pool. The pro

rata share is the number of COUNTY FARM BUREAU regular members divided by the total number of regular members of MFB. Thus, by way of example, if COUNTY FARM BUREAU has 400 regular members and MFB has 40,000 regular members, COUNTY FARM BUREAU would receive a Pool Payment that is 1% of the Pool.

Floor Payment. Notwithstanding the foregoing calculations, the COUNTY FARM BUREAU shall receive a minimum dues payment of \$15,000. If COUNTY FARM BUREAU receives dues payments above \$15,000, its dues payment shall be reduced by its pro rata share of regular members of MFB (calculated without including the regular members of County Farm Bureaus who are receiving the Floor Payment) to provide the funds needed for every COUNTY FARM BUREAU to receive this minimum amount of \$15,000.

d. MFB may propose a change in the portion of the annual dues to be paid by MFB to COUNTY FARM BUREAU and the other county Farm Bureaus. Such a proposed change may be presented in writing to the county Farm Bureau presidents in advance of a meeting to which all the county Farm Bureau presidents are invited. If, at such meeting, two-thirds of the county Farm Bureau presidents present and voting approve the change, then such change shall be binding on COUNTY FARM BUREAU and MFB, and shall constitute an amendment to Section I(B)(1)(c) as well as all other relevant sections of this Agreement.

C. With regard to organization procedure:

1. Plan and finance the COUNTY FARM BUREAU's program through the use of sound fiscal practices and budget control requiring an adequate yearly financial review by a qualified source outside the COUNTY FARM BUREAU.
2. Hold a COUNTY FARM BUREAU Annual Meeting.
3. Hold regular monthly meetings of the COUNTY FARM BUREAU Board of Directors during the year, with provision for an Executive Committee to act in the interim.
4. Keep a current copy of the COUNTY FARM BUREAU Bylaws on file with MFB.
5. Send voting delegates, as determined by the MFB Bylaws, to the MFB Annual Meeting.
6. Maintain those records that are required by MFB, using the system that is approved by MFB for use throughout the State of Michigan and permit such records to be reviewed by MFB at any time. Such records shall include, but shall not be limited to, the following:

- a. Membership records.
- b. Service program records.
- c. Financial records and tax returns.

A copy of the year-end financial statements, including an operating statement and balance sheet, and a letter from a qualified independent source stating that an appropriate financial review has been conducted, shall be filed with MFB within sixty (60) days following the close of the COUNTY FARM BUREAU's fiscal year.

- d. Minutes of all meetings of the COUNTY FARM BUREAU Board of Directors.
- e. Minutes of all Annual and Special Meetings of the COUNTY FARM BUREAU, including the number of members in attendance.
- f. Volunteer programs and activities reports, including, but not limited to, award forms, committee reports, committee lists, and number of participants.
- g. Articles of Incorporation, Bylaws, and certificate of exempt status.
- h. COUNTY FARM BUREAU Board of Directors set-up sheets.
- i. List of COUNTY FARM BUREAU's voting delegates to the MFB Annual Meeting.
- j. COUNTY FARM BUREAU Annual Meeting report.
- k. COUNTY FARM BUREAU newsletters.
- l. Proof that all voting members were notified about the time, place and date of COUNTY FARM BUREAU annual meeting.

- 7. Bond all officers and employees who are responsible for handling funds, in an amount sufficient to guarantee the safety of all funds involved.

D. With regard to the overall program:

- 1. Establish, maintain, and support, to the extent that is practical and feasible, organizational activities, including: Public Relations, Commodity Activities, Young Farmer Activities, Policy Development and Execution, Promotion and Education, Political Action, Local Affairs, Community

Action Groups, Membership, and Promotion of the Services of MFB and its Affiliated Companies.

2. Approve all service programs or programs of non-affiliated organizations before such programs are adopted by any COUNTY FARM BUREAU group or committee.
3. Limit the use of membership lists to COUNTY FARM BUREAU and MFB approved persons and programs.
4. Transact all COUNTY FARM BUREAU programs and business in harmony with MFB policies and programs.
5. Administer, in cooperation with MFB, member programs in accordance with the policy and procedures set forth in this and other agreements.

II. MFB shall:

- A. Conduct educational, legislative, leadership development, and business programs consistent with Farm Bureau policy.
 1. MFB shall pay the specific costs of COUNTY FARM BUREAU members' participation in the following activities:
 - a. MFB Annual Meeting (ticketed meals and hotel room costs) for the COUNTY FARM BUREAU delegates to the MFB Annual Meeting.
 - b. Washington Legislative Seminar (registration, transportation and hotel room costs) for up to 2 participants per COUNTY FARM BUREAU.
 - c. Lansing Legislative Seminar (registration) for up to the number of MFB Annual Meeting delegates for the COUNTY FARM BUREAU.
 - d. Council of Presidents Conference (in years the conference is conducted) (registration and hotel room costs) for 1 participant per COUNTY FARM BUREAU.
 - e. Young Farmer Leaders' Conference (registration and hotel room costs) for up to 4 participants per COUNTY FARM BUREAU.
 - f. County Leadership Conference (in years the conference is conducted) (registration and hotel room costs) for up to 2 participants per COUNTY FARM BUREAU.

M.

III. MFB and the COUNTY FARM BUREAU AGREE:

That this Agreement shall be reviewed whenever such review is deemed necessary by the MFB Board of Directors or by the voting delegates to a MFB Annual or Special Meeting. Such review shall be made by a committee appointed by the President of MFB. The provisions of this Agreement relating to finance, including but not limited to Section I(B) and Section II(A), shall be reviewed no less frequently than every five years by a committee of COUNTY FARM BUREAU Presidents appointed by the MFB President.

Any amendment of this Agreement shall become effective when approved by two-thirds of the County Farm Bureaus which have entered into an agreement with MFB that is similar to this Agreement.

IV. MFB and the COUNTY FARM BUREAU FURTHER AGREE:

That this Agreement shall become effective on _____, and shall continue in full force and effect thereafter, unless canceled by either party by giving written notice to the other party at least sixty (60) days before any September 1, such cancellation to become effective on such September 1. However, if written notice of cancellation is given less than sixty (60) days before any September 1, such cancellation shall become effective on September 1 of the following year.

Any prior agreements executed between MFB and the COUNTY FARM BUREAU, insofar as the same are at variance with the provisions of this Agreement, are superseded and shall be of no effect; provided, however, that the Privacy Addendum to the November 15, 1993 County Farm Bureau Relationship Agreement shall continue in full force and effect as an addendum to this Agreement.

IN WITNESS WHEREOF, MFB and the COUNTY FARM BUREAU have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

_____ COUNTY FARM BUREAU

Date: _____

By: _____
_____, President
(Typed or Printed Name)

MICHIGAN FARM BUREAU

Date: _____

By: _____
Carl Bednarski, President