

**BYLAWS OF THE ANDERSON VALLEY WINEGROWERS ASSOCIATION ORIGINALLY
ADOPTED December 2013 - AMENDMENEED VERSION – revised version 6.0 January 2021**

ARTICLE I – NAME

Section 1.1 – The name of this Association, a California non-profit organization, shall be Anderson Valley Winegrowers Association (the “Association”).

ARTICLE II – LOCATION/OFFICES

Section 2.1 – The mailing address for the transaction of business for the Anderson Valley Winegrowers Association shall be P.O. Box 63, Philo, CA 95466.

Section 2.2 – CHANGE OF ADDRESS. The Officers are granted full power and authority to change said principal mailing address from one location to another.

Section 2.3 – The Association may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may from time to time designate.

ARTICLE III - DEFINITIONS

Section 3.1 – “Viticultural” – within the context of these by-laws, the term shall include the commercial growing of wine grapes, the operation of a commercial winery, and/or the production of other commercial products from wine grapes.

Section 3.2 – “Area” – the term shall refer to the TTB designated “ANDERSON VALLEY VITICULTURAL AREA” as defined by the map used in filing the application.

ARTICLE IV – Purposes and Powers of the Association shall be as follows:

Section 4.1 – To promote the Anderson Valley as an *American Viticultural Area (AVA)* of premium quality wines, grapes, and grape products;

Section 4.2 – To foster a spirit of co-operation among local land owners, grape growers and wineries and to facilitate access to information regarding responsible land use, and viticultural practices.

Section 4.3 – To encourage and facilitate the sustainable development of viticulture and its necessary support services (housing, education, health care, etc.) in coordination with the Anderson Valley community.

Section 4.4 – To develop a cooperative relationship between the members of the association and the larger Anderson Valley community and to act as a facilitator in the event of discord between members of the Association and/or members of the Anderson Valley community.

Section 4.7 – The general purposes and powers are to have and to exercise all rights conferred on non-profit organizations under the laws of California, including the power to contract, rent, buy or sell real property, and to be a cooperative promotional association for the purpose of group promotion and commerce and for those purposes stated in Article IV sections 4.1 through 4.4 above; provided, however, that this organization shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the above statements of purpose and powers, no net earnings of this organization shall inure to the benefit of any member of this organization.

Section 4.6 – POWERS. The Association shall have all the powers necessary to carry out the foregoing purposes and all the powers of non-profit corporations organized under the laws of the State of California.

Section 4.7 – LIMITATIONS

- i. The Association shall be an equal opportunity employer, and it shall not discriminate on the basis of age, race, color, creed, sex, disabilities, financial status, or national origin (i) in the persons serviced, or in the manner of service; (ii) in the hiring, assignment, promotion, salary determination, or other conditions of staff employment; (iii) in the selection of members; or (iv) in the membership of its Board of Directors. [L] [SEP]
- ii. The Association shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity that would invalidate its status as a non-profit organization which is exempt from federal income taxation as an organization described in Section 501(c) of the Internal Revenue Code of 1986, or any successor provision. [L] [SEP]
- iii. The Association is not organized for pecuniary profit and shall not have any capital stock. No part of its net earnings or of its principal shall inure to the benefit of any officer or director of the Association, or any other individual, partnership or corporation, but reimbursement for expenditures or the payment of reasonable compensation for services rendered shall not be deemed to be a distribution of earnings or principal. [L] [SEP]
- iv. On dissolution, after provision is made for payment of debts, all property of the Association, from whatever source arising, shall be distributed only to such organizations as are then exempt from tax by virtue of Section 501(c) of the Internal Revenue Code of 1986, or any successor provision, and as the Board of Directors of the Association shall determine, unless otherwise provided in the instrument from which the funds to be distributed derive. [L] [SEP]
- v. Loans/Leases, the organization shall not borrow money for any purpose, unless approved by a quorum vote of the membership. [L] [SEP]

ARTICLE V – MEMBERSHIP [L] [SEP]

Section 5.1 – There shall be five classes of members:

- i. Winery Members with a tasting room – Industry members who are actively producing wine from the Anderson Valley Viticultural Area, and who have a licensed tasting room(s) in the Anderson Valley;
- ii. Winery Members without a tasting room – Industry members who are actively producing wine from the Anderson Valley Viticultural Area but who do not have a licensed tasting room in the Anderson Valley; [L] [SEP]
- iii. Vineyard Members – Industry members actively engaged in farming wine grapes in the Anderson Valley Viticultural Area; [L] [SEP]
- iv. Ambassador Member – A non-industry member defined as a volunteer who serves as a brand advocate operating outside of the Anderson Valley to promote, educate and facilitate commerce in conjunction with the AVWA and/or it's Officers/members. Has no voting privileges.
- v. Associate Members – Interested individuals and institutions not included above, with limited voting privileges. [L] [SEP]

Section 5.2 – Members are expected to maintain good standing within the organization, which shall be defined as follows:

- i. Member In Good Standing – A "Member in Good Standing" shall have full membership rights and privileges. A "Member in Good Standing" is a member that has no delinquent debts due the Association, does not have an unresolved issue regarding the abuse or negligent use of Association's equipment or materials, nor has been deemed delinquent for non-compliance of Association bylaws.
- ii. Delinquent Member – A "Delinquent Member" is a member that has delinquent debts due the

Association, has an unresolved issue regarding the abuse or negligent use of Association equipment or materials, or has failed to comply with the Association bylaws. A Delinquent Member will have no membership rights or privileges until they have corrected their delinquent status. This member shall regain Member in Good Standing status by:

- a. Making payment of any and all delinquent fees/assessments, and/or^{[[]]}Resolving the outstanding delinquent membership issue to the satisfaction of the Association through the due process outlined below;
- b. Due Process for Resolving Delinquent Membership Status: In all cases excepting simple past due membership fees/debts, a delinquent member shall have the right to present their case at a regular meeting of the membership and be heard. Questions and discussion among delinquent member and other members will be allowed. If a resolution for the given issue can be determined and agreed to by a quorum vote of the membership, the delinquent member can regain full "good standing" status upon completion of said resolution. If no resolution can be determined or agreed to, the member shall be terminated;
- c. Termination of Membership – Membership shall terminate upon the occurrence of any of the following events:
 1. The death of the member where there is no other business partner or winery owner remaining;
 2. The dissolution or sale of a winery, vineyard or other enterprise;^{[[]]}
 3. Resignation of the member;^{[[]]}
 4. Failure of a delinquent member to regain "good standing" status either through payment of outstanding funds due within stated time frame or through the due process outlined above.

Section 5.3 – Eligibility requirement for membership in the Association are defined by the following criteria.

- i. Potential Industry Members shall maintain and submit to the Association Secretary all state and federally required licenses, bonds etc. that are required to conduct a Viticultural business;
- ii. Potential members shall have no debts, liens or other legal pressures that could affect the reputation and good standing of the Association: i.e. the Association will not be responsible for the debts of its members and will not represent members who violate local, state and/or federal law;^{[[]]}
- iii. Any current member found to be in violation of Section 5.3 of these bylaws will be reimbursed any and all recently paid annual dues and will be allowed to apply for membership the following calendar year;^{[[]]}

Section 5.4a – MEMBERSHIP DUES CLASSIFICATIONS. Dues are payable in advance, November 30th for the following calendar year. Dues are subject to change by a vote of the membership. Any new memberships shall become effective upon receipt of payment

Section 5.4b – REQUIREMENTS AND LIMITATIONS.

- i. Wineries with vineyards pay winery or vineyard dues, whichever is higher, but not both;
- ii. For Members as defined by Sections 5.4a.iii and 5.4a.iv “gallons” shall be defined as the total number of gallons produced by the member regardless of origin.
- iii. For Members as defined by Section 5.4a.v, “acres of grapes” shall be defined as the total number of acres located within the boundaries of the Anderson Valley AVA.

ARTICLE VI – VOTING

Section 6.1 – VOTING POWER. Each Industry Member in good standing shall be entitled to cast one (1) vote on any matter, at all meetings of the membership.

- i. Motions involving proposed bylaws revisions and motions involving proposed assessments incident upon Industry Members may be conducted by secret written ballot of voting members from nominations open to all members;
- ii. Associate members and Non-voting Industry Members are entitled to vote only on motions involving assessments incident upon Associate Members and Non-voting Industry Members, respectively, in which case each such member shall be entitled to cast one (1) vote;

Section 6.2 – REPRESENTATION. Each member shall designate to the Secretary the name of not more than one principal, plus alternates if desired, who are empowered to cast votes for that member. Such designation shall occur when dues are paid.

Section 6.3 – QUORUM. To transact business at membership meetings, a quorum shall be generally defined as those members present either in person or in writing.

Section 6.4 – DECISIONS. Decisions are made by a simple majority of the members who vote either in person, or in writing.

ARTICLE VII – MEMBERSHIP MEETINGS

Section 7.1 – ANNUAL MEETINGS. There shall be one annual meeting of the membership held during the month of July, at a time and place designated by the Officers. This is the first meeting of the year and the meeting at which membership votes on the annual budget.

Section 7.2 – SPECIAL MEETINGS. Special meetings may be requested at any time, for any purpose or purposes, by the President, by any three (3) Officers, or by members holding at least 25% of the voting power of the Anderson Valley Winegrowers Association. Any action enacted at special meetings must be approved by a majority of the voting membership of the Association present, either in person or by written proxy.

Section 7.3 – VOTING OUTSIDE OF MEETINGS. From time to time, the Officers may find it necessary to conduct a vote outside of a regular, annual, or special meeting. Balloting can be conducted by email, fax, or US Mail.

Section 7.4 – NOTICES. Notice of the time and place of any meeting shall be in writing, delivered personally or by mail, fax or e-mail, to each member, not less than ten (10) days before such meeting is to be held. Each member is responsible for notifying the secretary of its mailing list preferences.

Section 7.5 – GUESTS. In general, meetings shall be open to guests of the membership. Under extraordinary circumstances, meetings may be called excluding guests.

ARTICLE VIII – OFFICERS

Section 8.1 – OFFICERS. There shall be seven (7) officers: a President, a Vice President, a Secretary, a Treasurer, a Winery Representative, a Vineyard Representative and a Hospitality Representative. Officers shall serve without compensation, although any out of pocket expenses incurred for group purposes may be reimbursed.

Section 8.2 – ELECTION. Officers will be elected by secret written ballot of voting members from nominations open to all members. To be eligible for nomination, a nominee must be a member in good standing, or a recognized representative of a member in good standing.

SECTION 8.3 - LIMITATIONS.

Section 8.4 – TERM. Officers shall serve for two years, or until their successors are elected and qualified.

Section 8.5 – DUTIES AND POWERS. The Officers shall conceive, formulate and propose, for approval of the membership, such programs and activities whose primary aim is to further the purposes of the Association. They shall conduct and manage such programs and activities, making rules and regulations as necessary for the conduct of business consistent with the law, these bylaws, and the expressed intent of the membership. Specific duties of the Officers are as follows:

- i. PRESIDENT. Presides over the general membership and executive committee meetings, calls officers meetings, and is principal contact for the Association. The President drafts the annual budget, and serves as the press contact for the Anderson Valley Winegrowers Association; ^{[[]]}_{SEP} Elected biennial during odd number years.
- ii. VICE PRESIDENT. Presides over meetings when the President is absent and oversees event committees; ^{[[]]}_{SEP} Elected biennial during even number years.
- iii. TREASURER. Collects membership dues, verifies membership to Secretary, monitors expenditures against budget, maintains bank accounts. ^{[[]]}_{SEP} Elected biennial during even number years.
- iv. SECRETARY. Is responsible for the recording and filing of the minutes from all Board and General Membership meetings and shall keep a record of all memberships. Elected biennial during odd number years.
- v. WINERY REPRESENTATIVE. Is responsible for representing the interests of Winery Members on the board. Will assist with outreach, promotion, and education for Winery Members as needed; ^{[[]]}_{SEP} Elected biennial during odd number years.
- vi. VINEYARD REPRESENTATIVE. Is responsible for representing the interests of Vineyard Members on the board. Will assist with outreach, promotion and education for Vineyard Members as needed; ^{[[]]}_{SEP} Elected biennial during even number years.
- vii. HOSPITALITY REPRESENTATIVE. Is responsible for representing the interests of Winery Members with Tasting Rooms and Associate Members. Will assist with outreach, promotion, and education for Winery Members with Tasting Rooms and Associate Members as needed; ^{[[]]}_{SEP} Elected biennial during even number years.

Section 8.6 – BOARD OF DIRECTORS AND OFFICERS. All seven Officers shall constitute the BOARD OF DIRECTORS or “BOD”. BOD meeting times and places are to be agreed upon by the Officers. All such meetings are open for attendance by any member in good standing.

Section 8.7 – QUORUM AND DECISIONS. A quorum of the Officers shall be considered necessary for the transaction of business and shall be by a majority of the existing Officers.

Section 8.8 – OFFICER VACANCIES. Vacancies may arise from time to time, due to resignation, death or other inability to serve. Such vacancies shall be filled by a vote of the membership at the next General Meeting, in writing, or via e-mail. Replacements shall serve the balance of the term of the vacated seat.

Section 8.9 – OFFICER REMOVAL. Any Officer may at any time be removed from office for any cause deemed sufficient by the BOD by the affirmative vote of two-thirds of the full number of Officers then in office acting at a meeting of the BOD, the notice of which has specified the proposed removal.

Section 8.10 – NON-LIABILITY OF OFFICERS. The Officers shall not be personally liable for the debts, liabilities, or other obligations of the Association.

Section 8.11 – INDEMNIFICATION BY ASSOCIATION OF OFFICERS. The Officers shall be indemnified by the Association to the fullest extent permissible under the laws of this state.

Section 8.12 – INSURANCE FOR CORPORATE AGENTS – Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Association (including a director, officer, employee or other agent of the Association) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

ARTICLE IX – BUDGET

Section 9.1 – BUDGET FORMATION. Formation of an annual operating budget shall be the responsibility of the Officers, beginning with the president.

Section 9.2 – BUDGET ADOPTION. The budget shall be submitted for adoption to the membership at its annual meeting and may be amended as necessary by the general membership.

ARTICLE X – COMMITTEES

Section 10.1 – TYPES OF COMMITTEES. These bylaws provide for the creation of, and dissolution of, Ad Hoc committees by the Board. One officer of the Board shall chair each committee. Ad Hoc Committees are formed as needed to perform specific duties as deemed necessary by the Board, or by a vote of the membership.

Section 10.2 – COMMITTEE EXPENDITURES. Committees shall have the authority to expend or commit funds as necessary as defined in the Budget.

ARTICLE XI – CONFLICT OF INTEREST POLICY. The Association encourages the active involvement of its staff and its Officers in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, the Association has adopted the following conflicts of interest policy.

Section 11.1 – A potential conflict of interest arises whenever the Association contemplates a decision involving a vendor, consultant, or grantee with which an Officer or staff member is affiliated. Affiliation means the close involvement with a vendor, consultant, or grantee on the part of (a) an Officer of the Association, (b) a staff member of the Association, or (c) the spouse or equivalent, parents, or children of an Officer or staff member, within twelve months preceding the decision. Affiliation includes, but is not limited to, serving as an Officer, employee, or consultant to the grantee, consultant, or vendor or doing business with the grantee, consultant or vendor.

Section 11.2 – A staff member who is affiliated with a prospective vendor, consultant, or grantee shall abstain from participating in any decision involving that vendor, consultant, or grantee. An Officer who is affiliated with a prospective vendor, consultant, or grantee shall abstain from voting with regard to any transaction between the Association and that person and, after disclosing his or her interest, shall leave the room during

discussion and while the vote is taken.

Section 11.3 – The Association may engage in a transaction to award funds or to contract with a grantee, consultant, or vendor with whom an Officer or staff member is affiliated, only if the following conditions are met prior to the transaction:

- i. The affiliated person shall disclose to the Board of Directors all material facts concerning the affiliation.
- ii. The Board of Directors shall review the material facts. The transaction may be approved only if a majority of the Officers, not counting the vote of any Officer who is an affiliated person with regard to this transaction, concludes that:
 - a. The proposed transaction is fair and reasonable to the Association;
 - b. The Association proposes to engage in this transaction for its own purposes and benefits, and not for the benefit of the affiliated person; and
 - c. The proposed transaction is the most beneficial arrangement that the Association could obtain in the circumstances with reasonable effort.

Section 11.4 – The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by the affiliated person and reviewed by the Board of Directors.

ARTICLE XII – SPECIAL ASSESSMENTS

Section 12.1 – From time to time the officers may deem it desirable to call for special assessments for specified Association purposes. No such assessment shall be levied or collected without the vote of the membership. Any call for such special assessment shall be publicized among the members, detailing the purpose(s), costs, and incidence.

ARTICLE XIII – AMENDMENTS

Section 13.1 – These By-laws may be amended or repealed, in the whole or any part, by a vote of the membership, providing that the proposed change has been submitted, in writing, to the membership at least ten (10) days before such meeting.

ARTICLE XIV – CONTRIBUTIONS AND DEPOSITORIES

Section 14.1 – VOLUNTARY CONTRIBUTIONS. The Corporation may accept gifts, grants, legacies and contributions from any source including persons, corporations, trusts, charities, and governments and governmental agencies.

Section 14.2 – DEPOSITORIES. The Board of Directors shall determine what depositories shall be used by the Association as long as such depositories are located within the State of California and are authorized to transact business by the State of California and are federally insured. All checks and orders for the payment of money from said depository shall be signed such signatories as have been authorized and required in advance by the Board of Directors.

ARTICLE XV – DISSOLUTION

Section 14.1 – The Association may be dissolved upon the affirmative vote of two-thirds (2/3) of the voting members of the Association at a meeting of the General Membership called for that purpose or by special ballot. No Officer or employee or person affiliated with the Association shall be entitled to share in the distribution of any of the Associations assets upon its dissolution.