



**ANDERSON VALLEY WINEGROWERS ASSOCIATION
GENERAL MEMBERSHIP MEETING AGENDA**

*Thursday, August 1st, 5:00-6:00pm
Lichen Winery*

- 5:00 pm Call to order
- 5:05 pm President's Welcome & Land Acknowledgement– Doug Stewart (5 min)
- 5:10 pm Executive Director Report – Courtney DeGraff (20 min)
- Strategic Roadmap Review & Successes
 - CDFA Grant
 - FY25 Events & Marketing
 - Allan Green Historical Book
- 5:30 pm Financial Report – Thomas T Thomas (10 min)
- Current AVWA Financial Update & Budget Review
 - Fundraising Strategy
- 5:40 pm Committee Updates (5 min):
- Vineyard– Norm Kobler (5 min)
 - Environmental– Doug Stewart (5 min)
- 5:45 pm Financing & Industry in Today's Market - Karri Jones, American Ag Credit (5 min):
- 5:50 pm Other Business– Douglas Stewart (5 min)
- Next AVWA General Membership Meeting: **Thursday, December 12th**, 5:00-6:00 pm at **Location TBD**
 - AVWA BOD Terms Up For Election in December: *Vice President, Treasurer, Vineyard Representative, Hospitality Representative. The Treasurer seat is open as Thomas is not renewing his term.*
- 5:55 pm Budget Amendment & Bylaw Update Vote; Adjourn



FY2024 AVWA Board of Directors & Support

President: Douglas Stewart
Vice President: Chris Lanier
Treasurer: Thomas T Thomas
Secretary: Alexis Eich
Winery Representative: Jeff Jindra
Vineyard Representative: Norm Kobler
Hospitality Representative: Ramon Jimenez
Past President: Sarah Wuethrich

Executive Director: Courtney DeGraff
Membership & Events: Tina Casey
Digital Marketing & Tech Support: Fabian Juaregui
Media Relations: Barbara Barrielle

Immense gratitude to the volunteer Board of Directors and to all of the committed AVWA staff and volunteers for making our accomplishments this year possible.

#teamAndersonValley



FY24 Review & FY25 Forecast Membership Packet Summary

Prepared for membership

FY24 (Aug 1, 2023-July 31, 2024) continued to build upon previous investments and organizational activities in alignment with our 2026 Strategic Roadmap. Despite forecasted financial challenges, we managed to budget mainly due to the launch of a new Winery Leader Membership program. We hope to find additional wineries for this program, allowing us to continue our strategic goals of doing more for the appellation in national marketing activities.

Early in 2024, we educated wineries about a possible Winery BID Assessment for the Anderson Valley appellation wineries, whereby in-region winery dues may be drastically reduced or eliminated and possibly double our budget. This is a growing funding strategy of competing wine regions, and the AVWA BOD believes it is worth evaluating for future funding and expansion. At least five other regional wine BIDs are in the formation stages (with Livermore, Temecula & Amador who have already established and more than doubled their operating budgets since implementation).

The FY25 forecast includes:

- A 30% (\$50K) increase in expenses; of this \$39K is related to the in person White Wine Festival event expenses, and the remaining associated with marketing & PR efforts
- A 16% (\$61.5K) increase in income; of this \$49K is White Wine Festival income and the remaining is primarily due to new event-related sponsorships

The FY25 budget remains conservative in expenditures and is designed to focus on the three historic anchor events—the Pinot Noir Festival, Coast Trade Mendocino, and the White Wine Festival.

- In 2025, we will look to bring back the in-person White Wine Grand Tasting.
- In 2025, the Pinot Fest Friday Technical Conference will be redesigned.
- The budget also considers supporting the application for the CDFA grant, which is a short term funding strategy for many other winegrowing regions.
- Additionally, we hope to host a small regional press tasting in the fall, with ongoing PR and light marketing continuing as resources permit.



FY24 Year in Review Highlights:

1. **PR coverage:** Since August 2023, at least 26 articles have been published (www.avwines.com/news) and a result to AVWA's efforts, contributions, press releases, and relationship building. We issued 8 press releases and helped 12 media or influencers visit the region outside of our events seasons, and we had 20 trade, media and influencers join us for our White Wine & Pinot Noir Festival events. Barbara Barrielle remains a dedicated resource and regional ambassador for media activities and relations.
2. **AVWA-managed events:** In addition to our long-term annual anchor events (Pinot Fest, White Wine, Coast Trade), we organized our second annual Pruning Contest. We also directed resources to help promote Anderson Valley via the California Wine Institute through the following opportunities:
 - In November, we welcomed a few dozen Wine Institute Global Buyers for an in-region visit that included tasting and educational tours.
 - In April, we hired a Sommelier to help represent AVWines and several member producers in Canada at two different CA Wines Eureka tasting events in Montreal and Calgary.
 - In April, we hosted a dozen sommelier/wine buyers from Mexico in the region.
 - In April, we helped place an AV winery as one of three wineries from the North Bay wine regions to participate in a fundraiser for Senator McGuire.
 - In July, we helped to facilitate educators from Japan and Korea.
 - In July, we organized a walk-around tasting, dinner, and educational event with the CA Wines International Team to meet with ten of our wineries interested in learning more about wine exports.
3. **Non-AVWA attended events:** Since August, we participated in nine consumer tastings: Healdsburg Crush, Barndiva Pink Party, Passion 4 Pinot (Palm Springs), Mission YMCA, Sparkling Spectacular (Gravenstein Grill), Pinot & Chardonnay Paradise (Gravenstein Grill), Bottle Barn Promotional Tastings (Jan & April), PBS NorCal Public Media Wine Awards event. In October 2024, we'll pour at the Tiburon Food & Wine Festival and the Steamboat Food & Wine Festival.
4. **Marketing:** We continue an integrated approach to marketing, as our budget permits and this year achieved the following:
 - Created a historical documentary on the region, which was featured at the Mendocino Film Festival. In less than two months, it has reached 1.6K



views on YouTube and has been featured in Edible Magazine & Ukiah Daily Journal.





- We published 20 blogs to enhance our marketing efforts, and now average 3K organic visitors per month mainly searching information about our wineries and the region (vs. 670/month two years ago). Since August 1, 2023, the total users on site are up 28.4%.
 - We captured enough video content to create future promotional ad videos and launched our first promotional video ad for Pinot Fest.
 - We will launch a marketing tourism video campaign for Google and social media channels in August to attract more people. Video is the primary tool for marketing efforts currently.
 - Our tasting room map was updated and enhanced with a fresh new look and we will look to additionally digitize the map for online access.
 - We are supporting the creation of a regional tourism book to be produced, which will also support future digital tourism initiatives.
5. **Advocacy:** We supported educational efforts around the Region 1 Water Permit and the VMC Winery BID. We supported the EDF Building a Climate Resilient Navarro Watershed project and two eco-tours held at Husch & Ferrington.
6. **Membership:** We had seven socials and our second annual Pruning Contest. We migrated our accounting system from Quickbooks to Zoho CRM, which will decrease accounting costs. We created a regional Fact Sheet and quiz to help share regional statistics and history with hospitality professionals. We are helping Allan Green collect information for a historical book project on the appellation.
7. **Fundraising:** We managed to budget despite challenges. We increased sponsorships by 8% and obtained \$2K to launch a new Scholarship program. We spent time educating members about the advantages of a Business Improvement District (BID) opportunity and designed a new Winery Leader Membership program. We applied for a StayHealdsburg grant and researched the CDFA grant for consideration. We helped raise \$27K in donations for the AV Fire Department and the AV Housing Association.

2026 Strategic Roadmap- FY2025

Goals can be advanced as time and resources permit. Goals can be modified during annual planning meeting.

Mission Statement

The Anderson Valley Winegrowers Association helps nurture, advocate for and safeguard the Anderson Valley appellation. Through promotion, the AVWA establishes Anderson Valley as a premier coastal cool-climate varieties wine region while also creating a protected and equal environment for future generations.

-  added to roadmap > year 1
-  completed
-  completed and ongoing
-  not completed &/or moved

| | Membership | Marketing | Fundraising | Advocacy |
|-------------------------------------|---|--|--|--|
| 1 Year 2022 | <ul style="list-style-type: none">  Define member & sponsor benefits/programs  Optimize member invoice process  Create communication strategy  Develop Vineyard Committee | <ul style="list-style-type: none">  Define and promote Brand AV  Continue annual marketing efforts  Continue to build Media partnerships  Publish vintage & harvest reports | <ul style="list-style-type: none">  Relaunch & optimize Pinot Fest  Hold a White Wine Passport Weekend  Ensure healthy sponsor relationships  Address issues w/dues structure | <ul style="list-style-type: none">  Partner with other associations/organizations  Develop Environmental Committee |
| 2-3 Year 2023 & 2024 | <ul style="list-style-type: none">  Roll out benefits & programs  Vineyard Committee helps with Vineyard focused events & education  Update bylaws as required  New Vineyard Committee Chair  Volunteer recruitment | <ul style="list-style-type: none">  Develop brand AV SWAG program  Leverage Media partnerships  Evaluate feasibility of Media events: Roadshow, AV “camp” event, etc.  Improve digital tourist experience  Create AVA Talking Points 1-Pager | <ul style="list-style-type: none">  Perform a dues restructure  Design &/or execute any new events  Evaluate Winery BID & other fundraising for operations and growth  New PNF Auction Committee Chair | <ul style="list-style-type: none">  Environment Committee helps to educate & safeguard our community  More collaboration w/MWI, Farm Bureau, MCRD/FFF, BOS, Land Trust, Wine Institute |
| 4-5 Year 2025 & 2026 | <ul style="list-style-type: none">  Gather vineyard data - AVA Map  Grant funding EDU for members  Support historical book (A Green) <ul style="list-style-type: none"> - Membership growth, enthusiasm & support from value received | <ul style="list-style-type: none">  Develop historical archives  Participate in consumer/Press events  Support Tourism book & map digitization  Evaluate feasibility of an AVA map  Evaluate & optimize branding  Evaluate DTC tourism plan - Assess partnerships w/other AVAs | <ul style="list-style-type: none">  Identify & apply for grants  Determine funding for AVA Map <ul style="list-style-type: none"> - Reassess current, & identify alternative, revenue sources | <ul style="list-style-type: none">  Create AVWINES page dedicated to farming practices of region |
| Item Delayed or Removed | | <ul style="list-style-type: none">  Source placement & design AVA sign | <ul style="list-style-type: none">  Develop Fundraising Committee  Fundraising Committee helps with fundraising and to create a foundation  Evaluate a foundation  Support causes via foundation | <ul style="list-style-type: none">  Develop Industry Affairs Committee  Industry Affairs Committee helps to educate our community & support⁶ industry causes |

Year 3 Review- as of July 2024

2026 Strategic Roadmap- FY2024

Goals can be advanced as time and resources permit. Goals can be modified during annual planning meeting.

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- + added to roadmap > year 1
- ✓ completed
- ✓+ completed and ongoing
- ⇒ not completed &/or moved
- ◀ moved ahead on roadmap

| | Membership | Marketing | Fundraising | Advocacy |
|----------|---|--|---|--|
| 2-3 Year | <ul style="list-style-type: none"> ✓+ Roll out benefits & programs ✓+ Vineyard Committee helps with Vineyard focused events & education ✓+ Update bylaws as required ✓ New Vineyard Committee Chair ✓+ Volunteer recruitment | <ul style="list-style-type: none"> ✓+ Develop brand AV SWAG program ✓+ Leverage Media partnerships ✓ Evaluate feasibility of Media events: Roadshow, AV "camp" event, etc. ✓+ Improve digital tourist experience ✓ Create AVA Talking Points 1-Pager ⇒ Evaluate & optimize branding ⇒ Evaluate DTC tourism plan | <ul style="list-style-type: none"> ✓+ Perform a dues restructure ✓ Design &/or execute any new events ✓ Evaluate Winery BID & other fundraising for operations and growth ✓+ New PNF Auction Committee Chair ⇒ Develop Fundraising Committee | <ul style="list-style-type: none"> ✓+ Environment Committee helps to educate & safeguard our community ✓+ More collaboration w/MWI, Farm Bureau, MCRD/FFF, BOS, Land Trust, Wine Institute ⇒ Develop Industry Affairs Committee ⇒+ Grant funding EDU for members |

- | | | | |
|--|---|---|---|
| <ul style="list-style-type: none"> • Educated membership on Business Improvement Districts (BIDs) • Vineyard Committee managed the 2nd annual Pruning Contest, supported the Husch & Ferrington Eco Tours, researched and participated in north coast water mandate advocacy, and supported the EDF Building a Climate Resilient Navarro Watershed project. • Participated in seven different Wine Institute events (6 related to global sales/exports). • Zoho CRM bookkeeping migration and launch of CRM Portal for data management and succession planning • Support for AV Historical Book by Allan Green • Created regional FAQ sheet & quiz to support hospitality staff training • Strong volunteerism, driven by Tracy Brand | <ul style="list-style-type: none"> • Contributed/influenced 26 articles being published, including Wine Enthusiast, The New Wine Review, Forbes, Press Democrat, Best Wineries. Writers post on social media and business wire multiples reach. • Issued 6 press releases and pitched/hosted/contributed to >11 writers, with 20 trade/media/influencers attending event weekends • Organic traffic to AVWINES up 350% in two years • Participated in: Barndiva Pink Party, Passion 4 Pinot (Palm Springs), Mission YMCA, Sparkling Spectacular (Gravenstein Grill), Pinot & Chardonnay Paradise (Gravenstein Grill), Bottle Barn Promotional Tastings (Jan & April), PBS NorCal Public Media Wine Awards • Published 20 Blogs, 26 email campaigns • Created first documentary on the history of Anderson Valley, which premiered at Mendocino Film Festival • Social Media: Storytelling, consistent presence • Redesigned & fresh new AV tourism map • SWAG: AV tasting rooms on t-shirts | <ul style="list-style-type: none"> • Increased sponsorships by 8% vs. prior year • Developed new Winery Leadership program, increasing winery dues income by 25% • All other winery revenue and retention flat vs. prior year • Pinot Fest charity income raised flat to prior year • Applied for StayHealdsburg grant • Researched CDFA grant for FY25 application • Carrie Castro replaced Sarah for PNF auction | <ul style="list-style-type: none"> • Environmental Committee support to EDF Building a Climate Resilient Navarro Watershed project, Husch & Ferrington eco-tours • Support to MWI Executive Directors • Ongoing collaboration: <i>MCRD, VMC, Wine Institute, CAWG, other regional associations</i> |
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AVA OVERVIEW

ANDERSON VALLEY WINE REGIONAL HIGHLIGHTS



One of the **coolest growing regions in California (Winkler Region II)**, the AVA was established in **1983**. Its **modern wine era** plantings began in the **1960s**.

Roughly **2,500 acres** under vine, with loam soil types dominating most vineyards. Around **100 vineyards and 30 locally-based producers**, with dozens of non-local wineries from **Napa & Sonoma who covet our fruit**.

One mile wide by fifteen miles long (*Napa Valley is five miles wide*), flanked by eastern & western ridges with elevations up to 2.5K feet.

Maritime inland desert climate, averaging a 50-degree diurnal shift from day to night time lows = **protective morning fog** for cool climate varieties.

Top 3 Regional Planting Approximation as of 2018 Vineyard Census:

- **70% in Pinot Noir**
 - **20% in Chardonnay**, and
 - **4% in Gewürztraminer**.
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Anderson Valley **Pinot Noir** consistently exhibits these characteristics:

- **Dark red fruits such as cherries, plums, raspberries, pomegranates**
 - **Floral and dried herbs. Pennyroyal (*mint family*) is a signature**
 - **Structured tannins, despite winemaker influence**
 - and, **bright rocking acidity, perfectly well-suited for food**.
-

Still Chardonnay wines are on the rise. They thrive at our higher elevations, due to wind & rocky soils. Previously, most Chardonnay went into sparkling.

Our terroir is shaped by the people of the region and this uniquely influences the profiles of our wines. Profiles are influenced by a combination of historically consuming acidic white wine and sparkling, and lighter foods native to coastal Mendocino - lamb, wild boar, seafood, mushrooms, even the savory spice of locally grown piment peppers. Local cuisine shapes wines we like to drink.

APPELLATION QUIZ

TEST YOUR KNOWLEDGE OF ANDERSON VALLEY



1 WHEN WAS THE ANDERSON VALLEY AMERICAN VITICULTURE AREA (AVA) FOUNDED?

2 IN 1964 DR. EDMEADES PLANTED FOUR VARIETALS. WHICH TWO GRAPES ARE STILL PLANTED WIDELY THROUGHOUT THE APPELLATION TODAY?

3 WHO PLANTED THE FIRST PINOT NOIR IN 1971? WHAT IS THE NAME OF THE VINEYARD?

4 WHAT YEAR WAS THE FIRST SPARKLING WINE PRODUCED? WHO WAS THE PRODUCER?

5 WHICH WINERY PRODUCED THE SECOND APPELLATION SPARKLING WINE, AND IN WHAT YEAR?

6 WHAT IS THE NAME FOR THE HERB FROM THE MINT FAMILY THAT IS COMMONLY RECOGNIZED IN OUR PINOT NOIRS ?

7 WHAT IS MOST TYPICAL OF PINOT NOIR FROM THE OUR AVA?
A- BLACK FRUIT & COLA
B- RED FRUIT & HERBAL
C- EARTHY

8 WHAT IS THE AVERAGE DIURNAL SHIFT (DEGREES) OF THE REGION?

9 NAME THE THREE AVAs THAT DIRECTLY BORDER THE ANDERSON VALLEY AVA?

10 NAME THE PRIMARY SOIL TYPE OF THE REGION. BONUS TO NAME THE VARIATIONS OF THIS SOIL.



1. 1983 | 2. Gewurztraminer & Chardonnay | 3. Hirsch Knoll Vineyard | 4. 1981, Sharffenberger Cellars | 5. Handley Cellars, 1983; Roederer, 1988 | 6. Fennroyal | 7. (B) Red fruit & herbal | 8. 50 degrees | 9. Yorkville Highlands, Mendocino Ridge, & Comptche | 10. loam (types: Boonling, Bearwallow, Pinele, Valley, Ombaum-Zent, Casabonne)

| AVWA FY25 Budget Forecast 8/1/2024-7/31/2025 | FY25 8/1/24- 7/31/25 Budget Forecast | FY24 Actual - 7/22/24 Forecasted - by Class | % Chg | Notes |
|---|---|--|----------------|--|
| Income | | | | |
| Gross Income Main Categories | | | | |
| Membership Dues | | | | No COLA in 2025; final case production #s may adjust this |
| Donations | - | 400 | | |
| Associate | 13,500 | 13,491 | | Increases Associates from \$275 to \$300; 10% attrition |
| Winery | 96,642 | 99,268 | | Assume 3 year average 21/22/23 AV case income down down 10%; base & TR fees flat |
| Vineyard | 11,225 | 11,835 | | Assuming vineyard attrition |
| Total Membership Dues | 121,367 | 124,994 | -2.9% | |
| Sponsorship | | | | |
| General Sponsorship | 44,150 | 49,150 | -10.2% | BBSI & Exchange Bank sponsorships ending |
| Event Sponsorships | 15,300 | | | |
| Scholarship | 2,000 | 2,000 | | Atlas & AmAg Credit Scholarship |
| Festival Income | | | | |
| White Wine | 69,867 | 20,824 | | 2020 ticket estimates; table fees; raffle; vendor tables |
| Pinot Festival | 185,696 | 179,879 | | New Tech Format \$0 net income; table fees; auction, raffle; vendor tables |
| Coast Trade | 5,460 | 5,460 | | Vendor tables |
| Other Festival Income | | | | |
| Total Festival Income | 261,023 | 206,163 | 26.6% | |
| Total Income | 443,840 | 382,307 | 16.1% | |
| Expenses | | | | |
| Administration Expenses | | | | |
| Contractors | | | | |
| Web & IT | 8,250 | 13,388 | | Zoho setup complete; website fixed in 2024 |
| Press | 9,750 | 7,750 | | New: Fall media tasting in AV |
| Creative Design | 11,900 | 7,863 | | New digital tourism QR for map, WWF content |
| Operations | 38,200 | 35,508 | | |
| Bookkeeping | 8,620 | 9,690 | | |
| Other Consulting | 30,000 | | | All new: WWF Event Help; Grant Assistance; PNF Event Help |
| Other Admin Expenses | | | | |
| Total Admin Expense | 106,720 | 74,198 | 43.8% | |
| Payroll Expenses | 121,583 | 121,231 | 0.3% | State, Federal, Medical, IRA, Salary |
| Operation Expenses | 32,838 | 29,984 | 9.5% | |
| Promotional Expense | | | | |
| Marketing, Press & Advertising | 27,050 | 22,559 | | |
| Pinot Noir Festival | 128,336 | 125,044 | | |
| White Wine Festival | 36,799 | 364 | | |
| Coast Trade Tasting | 4,152 | 4,803 | | |
| Other Promotional Expense | 9616 | 6298 | | 7030 + 8000 GL "Oth"; + new wine festival |
| Total Promotional Expense | 205,952 | 159,068 | 29.5% | |
| Total Expense | 467,093 | 384,479 | 21.5% | |
| Other Income | | | | |
| Grants, Interest, Other | - | 5,035 | | |
| Total Other Income | - | 5,035 | -100.0% | |
| Net Income | -23,253 | 2,863 | | |

BYLAWS OF THE ANDERSON VALLEY WINEGROWERS ASSOCIATION ORIGINALLY ADOPTED December 2013 - AMENDED VERSION – revised version 8.0 August 2024 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 cooperation 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 4.5 – 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.

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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.
- 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.
- 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.
- 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.
- v. Loans/Leases, the organization shall not borrow money for any purpose, unless approved by a quorum vote of the membership.

ARTICLE V – MEMBERSHIP¹_{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;
- iii. Vineyard Members – Industry members actively engaged in farming wine grapes in the Anderson Valley Viticultural Area;
- 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 its Officers/members. Has no voting privileges.
- v. Associate Members – Interested individuals and institutions not included above, with limited voting privileges.

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 ⁽¹⁾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 at least one annual meeting of the membership held during the month of July and/or December, 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 amendment suggestions for the Board to consider for a budget revision (Article IX Section 9.2).

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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 security 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 the principal contact for the Association. The President supports and advocates for strategic goals and activities, as supported by the annual budget, and serves as the press contact for the Anderson Valley Winegrowers Association. Chairs the monthly Executive Team meeting and all Board meetings. ^{11}_{SEP}Elected biennial during odd number years. Deleted: drafts
- ii. VICE PRESIDENT. Presides over meetings when the President is absent and oversees major event and hospitality committees; Works with the Executive Director on major event budgets. Attends the monthly Executive Team meeting. ^{11}_{SEP}Elected biennial during even number years. Deleted: ;
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- iii. TREASURER. Works with the Executive Director to draft the annual budget for Board review & approval. Oversees membership & sponsor income activities, verifies membership to Secretary, monitors expenditures against budget, and maintains bank accounts. Attends the monthly Executive Team meeting. ^{11}_{SEP}Approves off-budget items. Elected biennial during even number years. Deleted: dues
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- 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. Supports new and existing sponsor fundraising outreach. Attends the monthly Executive Team meeting. Elected biennial during odd number years. Deleted:
- 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. Leads the creation of the annual Harvest Vintage Report in coordination with the Vineyard Representative. Chairs technical wine tastings/conferences. ^{11}_{SEP}Elected biennial during odd number years. Deleted: ;
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- vi. VINEYARD REPRESENTATIVE. Is responsible for representing the interests of Vineyard Members on the board. Chair of the Vineyard Committee and leads the annual Pruning Contest planning and execution. Provides input into the annual Harvest Vintage Report in coordination with the Winery Representative. Will assist with outreach, promotion and education for Vineyard Members as needed. ^{11}_{SEP}Elected biennial during even number years. Deleted: ;
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- 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. ^{11}_{SEP}Elected biennial during even number years. Deleted: ;
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- viii. PAST PRESIDENT. To provide for a period of transition, the resigning President shall be allowed to have a non-voting seat on the Board for a year after serving as President in support of the new

President and Executive Director.

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. The Board will have the power to appoint interim members until the next General Membership meeting. 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 Treasurer and Executive Director, and adopted by the Board of Directors.

Section 9.2 – BUDGET ADOPTION. The budget will be adopted for the upcoming fiscal year (August 1- July 31) if there is majority vote by the Board of Directors in favor of the proposed budget. The approved budget shall be presented to the membership at its annual meeting and amendments may be suggested as necessary by the general membership. If the suggested amendments are agreeable by the majority of the Board, the Board may revise the budget and re-approve.

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 Board.

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.