

BY-LAWS
OF
WASHINGTON ASSOCIATION OF WINE GRAPE GROWERS

ARTICLE I: ORGANIZATION

Section 1: Name. The name of this Association is WASHINGTON ASSOCIATION OF WINE GRAPE GROWERS.

Section 2: Authorization. This Association is organized pursuant to RCW 24.32 as a nonprofit, cooperative association and incorporated in 1983.

ARTICLE II: PURPOSES

The purposes and powers of this Association are set forth in the articles of incorporation of the Association.

ARTICLE III: MEMBERSHIP ELIGIBILITY

Section 1: Classes of Membership. Membership in this Association shall fall into three categories: Full Members, Associate Members, and Allied Industry Members. **Full Membership** shall be limited to any person, firm, partnership, corporation, sole proprietorship, business organization or other entity which is engaged in growing grapes for the production of wine. **Associate Membership** shall be limited to other persons, firms, partnerships, corporations, sole proprietorships, business organizations or other entities not meeting the criteria for full membership, and conducting business related to and deriving a majority of income from wine grape growing or the production of wine. **Allied Industry Membership** shall be all other persons, firms, partnerships, corporations, sole proprietorships, business organizations or other entities not meeting the criteria for full or associate membership but offer goods and services to the wine grape growing or wine production industries.

Section 2: Joint Owners. Whenever the premises upon which grapes are grown for the production of wine and related products, or such grapes themselves are owned or held by more than one, whether as co-tenants, joint tenants, partners, an unincorporated association or otherwise, all those owning the right to dispose of such grapes may be admitted to membership collectively.

Section 3: Membership Certificates. Membership in this Association shall be evidenced by a membership certificate which shall be in such form and contain such provisions as shall be determined by the board of directors. Persons collectively admitted shall be deemed to be a single member and to possess and enjoy the rights of one member. Membership certificates shall be signed by the President and by the Secretary of the Association.

Section 4: Application for Membership. Any person eligible for and desiring admission to membership shall file a written application for admission in the form prescribed by the board of directors, provided that the making or filing of such application may be waived by the board of directors or by any officers to whom the board of directors has delegated power to accept applications and admit members.

Section 5: Expulsion of Members. The Board of the Association may, by the affirmative vote of not less than two-thirds () of the full members thereof, drop any full or association member which shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Association or these by-laws or any rules or regulations adopted from time to time by the board. Any full or association member so dropped may be reinstated as a

member by a vote of the members at any annual or special meeting of the full members. The action of the full members with respect to any such reinstatement shall be final.

Section 6: Dues and Assessments. All members shall pay such dues and assessments as the board of directors may fix and assess from time to time. The board shall have the right to fix, assess and collect dues and assessments from members to maintain the Association and to carry out the purposes of the Association.

Section 7: Transfer of Membership. Membership in this Association shall not be transferable, nor shall the certificate of membership be transferable.

Section 8. Termination of Membership. A membership shall terminate upon the happening of any of the following:

- (a) The member dies;
- (b) The member ceases to be eligible for membership;
- (c) The member withdraws upon filing an appropriate notice with the Association in accordance with the provisions of the membership agreement and upon payment of all indebtedness to the Association, or the membership agreement between the Association and member is terminated by either party thereto;
- (d) The member is expelled for failure to comply with the articles of incorporation, these bylaws and the rules and regulations of the Association, or for any other cause which the board of directors in its discretion deems sufficient;
- (e) Termination or withdrawal of membership shall not release said member from the obligation to pay any assessment on the full members of this Association adopted by the board of directors 30 days or more prior to any member's withdrawal.

ARTICLE IV: VOTING PRIVILEGES

Section 1: Voting Power. Unless otherwise determined and made of record by or under the authorization of the board of directors, each full member and associate member shall have and exercise a single vote. The additional voting right and privilege to be conferred need not be considered in the determination of any questions submitted to the vote of the members or for any purpose unless demand for its exercise be made by a member, in which event the vote shall be taken by roll call or ballot.

Section 2: No Cumulative Voting. No member shall have the right to cumulate his votes for the election of directors or for any other purpose except in such instances in which the right to exercise a cumulative voting privilege is specifically granted or reserved by law.

Section 3: Voting by Proxy. Each member shall have the full, unrestricted right to vote or act by proxy.

Section 4. Voting by Mail.

- (a) Upon the order of the board of directors, the executive committee or the president of the Association, a vote of the members may be taken by mail with the same effect as if taken at a meeting.
- (b) Any questions to be submitted to the members by mail vote shall be reduced to concise written form by the secretary of the Association and mailed to each member in accordance with the provisions of Article XIII, Section 5, and these bylaws. Such questions shall be in ballot form. The secretary of the Association shall open, count and register the votes in the presence of any and all members and directors in attendance, and announce and record the result.

Section 5. Partnership or Corporation Voting. A partnership or corporation which is a member of the Association shall have one vote, regardless of the number of partners or shareholders.

ARTICLE V: PROPERTY RIGHTS OF MEMBERS

Section 1: Special Funds. The board of directors by resolution may create and maintain or provide for the creation and maintenance of special funds for specific uses or purposes through advances, contributions, the imposition of an additional Association charge, or through any other source that may be available and specified by resolution. No member, merely as an incident to membership shall have or possess any property right or interest in any special fund created. The respective and proportional rights and interests therein shall be limited and specified by the resolution creating the fund or as set forth and declared in such certificates as may be issued by or under the authorization of the board of directors to certify or evidence the fund.

Section 2: Distribution of General Property Rights and Interests Upon Dissolution of the Association. Upon dissolution, the general property rights and interests of the Association shall be applied first to the payment of all just debts and obligations of the Association. After the satisfaction of such debts and obligations, any remaining general property rights and interest of the proceeds shall be donated to Washington State University for research in viticulture.

ARTICLE VI: DIRECTORS

Section 1: Number and Eligibility. The corporate powers, business and property of the Association shall be exercised, conducted and controlled by a board of directors consisting of nine persons in good standing. The authorized number of directors may be changed by amendment of these bylaws or otherwise as provided by law.

Section 2: Election of Directors. Vacant director positions shall be elected by the members each year from nominations presented prior to the annual meeting. The board shall have nine members of which seven shall be grower members and as many as two can be associate members.

Section 3: Nominations for Director. Candidates for the office of director may be nominated by a petition signed by at least three (3) members in good standing in the Association. The board of directors may also nominate one or more candidates. All nominations shall be received by the Association at its principal office no later than thirty (30) days prior to the annual meeting.

Section 4: Election of Directors. The board of directors shall prepare ballots bearing the names of all candidates, together with a blank space for write-in candidates, and shall mail to each member no later than twenty-five (25) days prior to the annual meeting. Each ballot shall contain a notice that such ballot must be received at the Association's principal office for the transaction of business no later than three (3) days prior to the annual meeting. Ballots must be received no later than three (3) days prior to the annual meeting to be counted. A majority of all votes cast shall not be required to elect directors, but the requisite number of persons receiving the highest number of votes shall be declared elected. In the case of ties, a run-off election shall be held.

Section 5: Term.

- (a) The term of office of directors shall be three years.
- (b) All directors shall service until their successors shall have been elected and qualified.

Section 6: Vacancies. Any vacancy on the board of directors arising other than by expiration of term of office shall be filled by a majority vote of the remaining directors or by the sole remaining director.

ARTICLE VII: POWERS, DUTIES AND COMPENSATION OF DIRECTORS

Section 1: Powers. In addition to all other powers granted to it by law or these bylaws, the board of directors shall have the power:

- (a) To call special meetings of the members whenever the board deems it necessary;
- (b) To prescribe and pass upon the requirements and qualifications for membership and to consent to or restrict the transfer or assignment of membership and other property rights and interests in the Association or the property held by it; provided that such actions may be taken by any officers or directors authorized so to do by the board of directors, and provided further that the board shall not permit or consent to any assignment or other transfer of any certificate of membership to any person not qualified to be a member of the Association;
- (c) To conduct, manage and control all of the business and affairs of the Association and in that connection to take such action and incur such expenditures as the board in its discretion decides will best accomplish the primary purposes of the Association as stated in the articles of incorporation and these bylaws;
- (d) To select, appoint and remove at pleasure all officers, agent or employees of the Association; to assign such duties and delegate such power to them as is not inconsistent with the articles of incorporation, these bylaws and applicable law; and to fix their compensation and require security for faithful service;
- (e) To prescribe, adopt and amend equitable and uniform rules and regulations, including adequate penalties for breach;
- (f) To establish departments as may be deemed advisable or essential; and to determine the terms, conditions, and charge for services rendered;
- (g) To borrow and loan money, incur indebtedness and guarantee performance or payment of obligations for this Association or others, provided the terms, conditions and amount to be entered on the minute book of the Association; to execute and deliver as evidence of obligations, liabilities or debts, the promissory note, bond, bill mortgage or trust deed of the Association; and to hypothecate, mortgage or pledge as security for any of its obligations, liabilities or debts any and all of the property, property rights and interests of the Association, both real and personal, and in addition any commodities that the Association may undertake to handle or market for others, or the proceeds of the sale thereof, and any property or assets allocated to or set aside for special funds;
- (h) To designate by resolution from time to time such officers or agents as shall have power and authority, for and on behalf of the Association, to execute all necessary instruments in writing of every kind and nature, to sign checks and drafts of the Association and to endorse checks and drafts payable to the order of the Association, and to perform any and all other acts of every kind and nature that may be so delegated.
- (I) To adopt, make and regulate the use of a corporate seal; to prescribe the forms of membership and other certificates; and to alter the form of such seal and such certificates from time to time.

Section 2: Duties. It shall be the duty of the directors in addition to all other duties imposed by law or these bylaws;

- (a) To issue to members membership and other certificates evidencing membership or other property rights or interests in the Association or in any special funds created; and to determine the form and contents of such certificates;

- (b) To install a system of auditing and accounting to enable a complete determination of the financial condition of the Association and the property rights and interests of the members;
- (c) To keep a complete record of all its acts and of the proceedings of its meetings; and to present a full statement at the regular annual meeting of the members showing in detail the condition of the affairs of the Association;
- (d) To fix and determine from time to time the amount to be charged and retained or collected for services rendered, the amount required to cover the cost of such services, interest charges, losses and expenses, and the amount required for working capital or special funds; and
- (e) To cause to be ascertained and determined annually, as soon after the end of the current calendar or fiscal year as may conveniently be done, the amount of the surplus or deficiency accruing; to allocate the apportion other same in accord with the provisions contained in these bylaws; to determine the amount of surplus, if any, to be retained as working capital or set aside for reserves; and to issue appropriate certificates evidencing the interest of each of the parties therein, which certificates when so issued shall be conclusive. The interest of this section is to vest in the board of directors absolute discretionary power in the making of all allocations and apportionments of expense, surplus and deficiencies, in the expectation that the same will be exercised for the best interest of the Association as a whole.

Section 3: General Powers and Duties. In addition to the powers and duties specifically imposed upon the board of directors by these bylaws, the board shall have the power and duty generally to do every act lawfully devolving upon a board of directors, unless these bylaws shall specifically otherwise provide.

Section 4: Compensation of Directors. The directors of the Association shall not be paid.

Section 5: Elimination of Certain Liabilities of Directors. A director [or officer] shall have no liability to the corporation or its shareholders for monetary damages for conduct as a director [or officer], except as for acts or omissions that involved intentional misconduct by the director [or officer], or a knowing violation of the law by the director [or officer] or for the conduct violating RCW 23B.08.310, or for any transaction from which the director [or officer] will personally receive a benefit in money, property or services to which the director [or officer] is not legally entitled. If the Washington Business Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors [or officers], then the liability of a director [or officer] shall be eliminated or limited to the full extent permitted by the Washington Business Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director [or officer] of the corporation existing at the time of such repeal or modification for or with respect to any act or omission of such director [or officer] occurring prior to such repeal or modification.

ARTICLE VIII: EXECUTIVE COMMITTEE

Section 1: Appointment. The board of directors may appoint or provide for the appointment of an executive committee to consist of as many of its members as it may designate. The executive committee shall conduct the business affairs of the Association during the interim between board meetings but subject to the general control of the board of directors.

Section 2: Minutes and Records. The executive committee shall keep full minutes and records of all of its acts and proceedings and submit the same to the board of directors for approval at the next succeeding board meeting.

Section 3: Powers Granted. The executive committee may perform any of the duties or functions and exercise any of the powers or authority of the board of directors during the interims between meetings of the board, except such as may be reserved to the board by resolution or when otherwise provided by law. The executive committee shall organize as it sees fit.

Section 4: Compensation of Members of the Executive Committee. Members of the executive committee shall not be paid.

Section 5: Vacancies. Vacancies in the executive committee shall be filled by the board of directors.

ARTICLE IX: OFFICERS

The principal office for the transaction of the business of the Association shall be determined by resolution of the Board of Directors. Branch officers may be established elsewhere as the business of the Association may require.

ARTICLE X: OFFICERS

Section 1: Terms and Designations. All of the officers of the Association shall be elected or appointed by and shall hold office at the pleasure of the board of directors. The officers shall be a chairman, vice-chairman, secretary (financial chairman), and treasurer, and such additional officers as may be provided by resolution of the board. The same person may hold one or more offices.

Section 2: Alternative Provision. In case of the absence or inability to act of a principal officer, or when otherwise so authorized by the board, a secondary officer or assistant, or other person may take the place of the principal officer and perform his duties with the same power and authority.

Section 3: Qualifications. The chairman, vice-chairman, secretary and treasurer must be a member of the board of directors.

ARTICLE XI: DUTIES OF OFFICERS

Section 1: Chairman and Vice-Chairman. The board of directors shall elect a chairman and a vice-chairman. The chairman, or in his absence the vice-chairman, shall have the power and it shall be his duty:

- (a) To preside over all meetings, regular and special, of the members and of the board of directors;
- (b) Subject to the advice and control of the board of directors, to direct and control the affairs of the Association;
- (c) To call special meetings of the members and of the board of directors, to be held at such time or times as he shall deem necessary, and to call such meetings when so requested as hereinafter provided;
- (d) To subscribe the name of the Association to all deeds, conveyances, mortgages, leases, promissory notes, contracts, obligations, certificates and other papers and instruments in writing that may require his signature, when required or authorized to do so; and
- (e) To discharge such other duties as may be required of him by these bylaws or by the board of directors.

Section 2: Secretary. The board of directors shall elect or hire a secretary who may be one of its members. The secretary to the board shall have the power and it shall be his/her duty to be the custodian and have charge of all books, papers, instruments and records of the Association; and, unless otherwise ordered by the board, it shall be his duty:

- (a) To keep a full and complete record of the proceedings of the meetings of the members and of the board of directors;
- (b) To keep proper account books;

- (c) To serve all notices and to make all publications required either by law or by the bylaws of the Association or that may be necessary and proper without further authorization; and
- (d) To discharge such other duties as may be required by these bylaws or the board of directors.

Section 3: Treasurer. The board of directors shall elect a treasurer.

ARTICLE XII: MEETINGS

- (a) Regular Meetings. The annual meeting of the Association shall be held at a time and place within the State of Washington fixed by the majority vote of the board of directors. The board of directors may also fix other regular meetings.
- (b) Special Meetings. A special meeting of the members may be called at any time by the board of directors, the chairman, or by ten percent of the members. Each call for a special meeting of the members shall state the time, place and purpose of such meeting. If made by the board of directors, it shall be by resolution duly adopted and entered in the minutes. If made by the chairman or by the members, it shall be in writing and signed by the person or persons making the call and delivered to the secretary to the board.
- (c) Notice of Regular Meetings. The notice of the annual meeting of the members shall state the time and place of the meeting and the purposes for which it is called. The notice shall be mailed to each member of the Association at least ten (10) days, but no more than fifty (50) days, before the meeting. Notice of regular meetings other than the annual meeting shall be made by mailing each member the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and at least ten days prior to the next succeeding regular meeting.
- (d) Notice of Special Meeting. Notice of special meetings of the members shall state the time and place of the meeting and the purposes for which it is called. The notice shall be mailed to each of the members of the Association at least thirty (30) days before the meeting.
- (e) Quorum. Members present in person or by proxy at any membership meeting and having fifty percent (50%) of the voting power of the Association shall constitute a quorum for the transaction of all business, unless otherwise required by law. The members present at a duly called meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- (f) Presiding Officers. The chairman, or in his absence, the vice-chairman, and the secretary to the board shall act as chairman and secretary, respectively, of each meeting of members or of the board of directors, unless the meeting shall otherwise decide.
- (g) Adjourned Meetings and Notice Thereof. Any meeting of members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present; but in the absence of a quorum, no other business may be transaction at such meeting. No notice of an adjourned meeting or of the business to be transacted at an adjourned meeting need be given other than by announcement at the meeting which such adjournment is taken.
- (h) Entry of Notice. Whenever a member entitled to vote has been absent for any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such member as required by law and the bylaws of the Association.

Section 2: Directors.

- (a) Regular Meetings. A regular meeting of the board of directors shall be held after the adjournment of each annual meeting of the members at such time and place as the board of directors in its discretion shall designate. At this meeting, the officers of the Association shall be elected for the ensuing year, unless the board of directors determines that the election should be held at a subsequent time, in which case the board shall designate a time and place for a meeting of the board of directors at which the election of officers shall be held.
- (b) Special Meetings. The chairman or one third of the members of the board of directors may, at any time, call a special meeting of the board to be held at the principal office of the Association, unless the board of directors shall authorize the holding of special meetings at other places at the time specified in said call. The chairman of the board of directors or one third of the members of the executive committee may, at any time, call a special meeting of the executive committee to be held at the principal office of the Association or such other place as may be designed by the chairman and set forth in the notice of meeting.
- (c) Notice of Meetings. The same notice of regular meetings shall be given as required for special meetings. Notice of special meetings of the board of directors shall state the time and place of meeting and the purpose for which it is called and may be served by mail or by personal delivery. If the notice is to be given by mail, notice shall be mailed to each member of the board at least five (5) days before the meeting; if by personal service, then delivered to each director at least forty-eight (48) hours before the meeting.
- (d) Quorum. Five directors shall constitute a quorum for the transaction of business at any meeting of the board of directors. If a quorum is not present at the time for holding any such meeting, the directors present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting, any business may be transacted that might have been transaction at the meeting as originally noted.
- (e) Entry of Notice. Whenever any director has been absent from any special meeting of the board of directors, any entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that the notice of such special meeting was given to such director as required by law and the bylaws of the Association.
- (f) Action by Written Consent. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board consent in writing.

Section 3: Executive and Other Committee Meetings. By resolution, the board of directors may fix and determine the time, place and manner of calling and holding executive and other committee meetings; may specify the notice to be given or dispense with any necessity for notice; and may specify the business to be transacted by any committee either with or without notice of meeting.

Section 4: Business. Any and all business presented may be transacted at any regular meeting of the members or board of directors or executive committee or at any adjournment thereof or at any meeting held by written consent or for which a waiver of notice has been attained. Only such business may be transacted at a special meeting as is specified in the notice thereof, unless a written waiver of notice or a written consent of the holding of said meeting be signed. A majority of those in attendance at any meeting at which a quorum is represented shall be sufficient for the adoption of any resolution and the transaction of any and all business, unless otherwise required by law or these bylaws.

Section 5: Service of Notice. Whenever under these bylaws notice is required to be given, whether such notice be a notice of meeting or otherwise, such notice may be given by depositing a copy thereof in the United States mail in a sealed envelope, addressed to the person to whom notice is to be given, either at his residence or place of business, as the same shall appear on the books of the Association. If his residence or place of business does not appear upon the books of the Association and his post office address is unknown, the notice shall be addressed to such person at the principal office of the Association. All notices shall be mailed by the secretary to the board under his direction at the place where

the secretary may reside, if within the State of Washington. If the notice is to be given by personal service, then a complete copy shall be delivered personally to the person to be served. The service or delivery shall be deemed complete for all purposes upon mailing or personal delivery and shall be proven by affidavit of the person mailing or serving the same.

Section 6: Waiver of Notice and Consent. Unless otherwise prohibited by law, any notice required to be given under these bylaws, whether of meetings or otherwise, may be waived. Such waiver made in writing and of record on the records of the Association shall have the same force and effect as if due notice had been given. By mutual consent in writing, a meeting may be held at any time or place without further notice, and all business may be transacted at such meeting.

ARTICLE XIII: COMMITTEES

The board of directors or the executive committee may appoint such standing or special committees as may seem expedient, and refer to such committee or committees any corporate matter with full power to act.

ARTICLE XIV: INDEBTEDNESS

Section 1: Purposes. The association may incur indebtedness and may pledge, mortgage or hypothecate the property and assets of the Association as provided in these bylaws, in such amount as may be deemed expedient by the board of directors to carry on the Association's business and accomplish the purposes for which it is organized.

Section 2: Certification Conclusive. The certificate of the president or vice-president and the secretary or assistant secretary to the board, under the corporate name and seal of the Association, certifying the adoption of a resolution by the board of directors authorizing the borrowing of money or the creation of any indebtedness of the Association, delivered to the lender and to the extent of any advance thereunder, shall be conclusive evidence against the association concerning the authorization for the creation of the indebtedness certified, without regard to whether or not all of the requirements contained in these bylaws may have been complied with.

ARTICLE XV: BOOKS AND PAPERS

The books of the Association and such papers or instruments as may be placed on file by vote of the members, directors or executive committee shall at all times during business hours be subject to the inspection of any member.

ARTICLE XVI: MAILING ADDRESS

Any member or director may file a mailing address with the secretary of the Association. Until further notice from the member or director, all notices and communications from the Association to such person that are to be mailed, whether required by law, these bylaws or otherwise, shall be addressed to such member or director at the mailing address given.

ARTICLE XVII: AFFILIATED

The board may provide for affiliation upon such terms and condition as it shall deem proper.

ARTICLE XVIII: AMENDMENTS

These bylaws and the articles of incorporation may be repealed or amended at any time and from time to time by a two-thirds majority vote of the membership present at any regular or special meeting thereof at which there is a quorum or by mail vote, provided that the total vote must be more than 25 percent of the total membership. If such action is to be considered at a special meeting not held by consent or under waiver of notice, then such action may be considered only if notice is included in the notice of the meeting. Such notice shall be included whenever so requested by a member of the Association. If such action is to be considered and voted upon by mail ballot, no further notice need be given than that required for submission of a question for a mail vote as specified in Section 4 of Article IV of these bylaws. If the

questions is included in the call for any special meeting but is not finally acted upon, it may be considered and determined at the next regular or special meeting without other or further notice.

**AUTHORIZATION, CONSENT AND ASSENT
OF MEMBERS TO ADOPTION OF BYLAWS**

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned members of WASHINGTON ASSOCIATION OF WINE GRAPE GROWERS, as of the date last written below, collectively constituting all the members and all of the voting power of said Association, do now in writing authorize, consent to and assent to the adoption of the above and foregoing bylaws as and for the bylaws of said Association. We agree that the written authorization, consent and assent of future members to the bylaws of said Association may be evidenced by the execution and acceptance of the membership agreement between future members of the Association.

Officers

Tedd Wildman, President	_____
Mike Reed, Vice President	_____
Roger Gamache, Treasurer	_____
Steve Newhouse, Past President	_____

Board of Directors

Richard Boushey	_____
Bill denHoed	_____
Tom Waliser	_____
Charlie Hossum	_____
Harold Pleasant	_____