

**RESTATEMENT OF THE BYLAWS OF THE
RED MOUNTAIN AVA ALLIANCE**

(Restatement reflecting amendments made through March of 2022.)

Whereas, The landowners, residents and lessees associated with and interested in the wine grape growing and winery industry located within the American Viticultural Area (AVA) of Red Mountain, Washington have formed a corporation known as the Red Mountain AVA Alliance (RMA), for the purpose of:

1. promoting and maintaining Red Mountain's excellent reputation for growing and making wines of the highest quality, and promoting the sale and consumption of its wine grapes and wines;
2. planning for and implementing the quality infrastructure necessary to accommodate the growth and wine tourist visitation potential of the AVA;
3. acting as the Red Mountain community interface and advocate with governmental entities and other groups involved or interested in the planning and regulation of matters pertaining to the AVA; and
4. engaging in any other appropriate activity that benefits the interests of its members and the Red Mountain community at large; have caused the following bylaws regulating the affairs of RMA to be adopted.

ARTICLE I. OFFICES; REGISTERED AGENT

The registered office of the corporation shall be located in the state of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law. The registered agent shall have a business office identical with such registered office.

ARTICLE II. MEMBERS

The corporation shall have two (2) classes of members. The Board of Directors shall determine all membership fees and membership qualifications.

2.1 **Active Members.** Active members are (a) persons, corporations, or other legal entities which either own or lease vineyard land within the boundaries of the Red Mountain AVA or are licensed wineries that purchase Red Mountain AVA grapes and (b) have paid all membership fees, dues, and assessments payable by active members of the corporation; and (c) satisfy all other requirements for active membership established from time to time by the Board of Directors.

2.2 **Associate Members.** Associate members are any persons, corporations or other legal entities which (a) have paid all membership fees, dues and assessments payable by associate members of the corporation; and (b) satisfy all other

requirements for associate membership established from time to time by the Board of Directors.

2.3 **Voting Rights.** Each active member shall be entitled to one vote on all matters that come before the members. Associate members shall have no voting rights. Use of the term “member” or “membership” in these bylaws means only active members or membership.

2.4 **Member Representative.** Each member shall select a representative who is designated to receive correspondence and ballots from the corporation, and to exercise the member’s voting rights. The representative must be a natural person.

2.5 **Transfer of Membership.** In case of change in the ownership or lessee of membership property, membership in the corporation may be transferred to the new owner or lessee of the property; provided, that the new owner or lessee meets the qualifications of membership, and all fees, dues, and assessments owing to the corporation are timely paid.

2.6 **Member Obligations.** Each active and associate member agrees to be bound by these Bylaws and any amendments to them, and by the lawful actions of the Board of Directors or voting members of the corporation.

2.7 **Termination of Membership.** Membership of both active and associate members shall be suspended or terminated whenever the Board of Directors determines that one of the following events has occurred: (a) the member has resigned following notice to the corporation; (b) the member has failed timely to pay dues, fees, or assessments in the amount and under the terms set by the Board; or (c) any other event occurs that renders a member ineligible for membership, or the member otherwise fails to satisfy membership qualifications. There shall be no prorated refunds of any fees, assessments or dues in the case of termination of membership.

2.8 **Discipline.** Both active and associate members may be suspended or terminated for cause by the Board. “Cause” includes an abuse of the authority conferred on a member or a failure to observe the corporation’s Bylaws, or conduct prejudicial to or in conflict with the interests of the corporation. The member shall be given at least fifteen (15) days prior written notice of the proposed discipline, which notice shall contain a description of the reasons therefore. The notice shall also include the member’s opportunity to be heard, orally or in writing, at least five (5) days before the effective date of the proposed discipline. The Board shall determine whether cause exists and the appropriate discipline, if any. The Board is not required to follow the above procedure when imposed discipline lesser than suspension or termination (such as private reprimand).

ARTICLE III. MEETINGS OF THE MEMBERS

3.1 **Meeting Place.** All meetings of the members shall be held at the registered office of the corporation, or at such other place as shall be determined from time to

time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

3.2 **Annual Meeting Time.** The annual meeting of the members for the transaction of such business as may properly come before the meeting, shall be held each year at a date and time and place set by the Board of Directors.

3.3 **Special Meetings.** Special meetings of the members for any purpose may be called at any time by the President or Board of Directors or ten percent (10%) of the members. Special meetings shall be limited to the purpose for which they are called; no other business shall be transacted.

3.4 **Notice.**

(1) Notice of the time and place of the annual meeting of members and of regular meetings other than the annual meeting shall be given by delivering personally, by facsimile, by electronic mail, or by mailing a written or printed notice of the same, at least ten (10) days, but not more than fifty (50) days, prior to the meeting date.

(2) At least ten (10) days and not more than fifty (50) days prior to the meeting date, written or printed notice of each special meeting of members, stating the place, day and hour of such meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, by facsimile, by electronic mail, or by US mail.

3.5 **Waiver of Notice.** A waiver of any notice required to be given any member, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

3.6 **Voting.** A member may vote in person or by proxy executed in writing by such member or such member's designated representative. No proxy shall be valid after eleven (11) months from the date it is executed, unless otherwise provided in the proxy. Only active members in good standing may vote. A member shall not be in good standing unless, prior to the opening of the meeting at which the vote is to take place, it has fully discharged all of its obligations to the corporation, including without limitation payment of all fees, dues and assessments payable by the member. Qualification to vote and other matters related to the conduct of elections for directors which are not provided for in these Bylaws shall be determined by the Board of Directors.

3.7 **Manner of Voting.** Voting by members on the election of directors shall be conducted by secret ballot. Voting for election of directors may be by mail, if the Board so determines. *(Which it did on July 2, 2014)*

3.8 **Quorum.** One-fifth (1/5) of the members entitled to vote represented at a meeting in person or by proxy shall be necessary and sufficient to constitute a quorum for the transaction of business. Whenever a quorum is present, an act or decision

made by a majority of the members present is a valid act or decision, unless these bylaws specifically require a great-than-majority approval.

ARTICLE IV. BOARD OF DIRECTORS

4.1 Number, Qualifications and Powers. The management of all the affairs, property and interests of the corporation shall be vested in a Board of Directors consisting of nine (9) directors, each of whom shall at all times during his/her tenure be a natural person who is either a member or a designated representative of a member. At all times, the Board shall be comprised of directors meeting the following qualifications:

- At least one director shall represent a member vineyard of 10 or fewer acres;
- At least one director shall represent a member vineyard of between 10 and 100 acres;
- At least one director shall represent a member vineyard of more than 100 acres;
- At least one director shall represent a member winery with annual case production of 5,000 or fewer cases;
- At least one director shall represent a member winery with annual case production of between 5,000 and 15,000 cases;
- At least one director shall represent a member winery with annual case production of more than 15,000 cases; and
- Three directors shall represent a member as “at-large” directors, and he or she may satisfy any one or more of the above qualifications.

All seven directors shall be elected at the initial annual meeting of the corporation. Thereafter, a total of nine board members will serve and be elected at each annual meeting of the members. The Board of Directors shall determine the subsets, order of election and transition term of office before the second annual meeting. After the election rotation is established, directors shall be elected for a term of two (2) years, or until their successors are duly elected and qualified. There is no limitation on the number of terms a director may serve. In addition to the powers and authorities expressly conferred upon it by these Bylaws and Articles of Incorporation, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the members of the corporation.

4.2 Vacancies. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of his or her predecessor and until a successor is elected and qualified.

4.3 Regular Meetings. Regular meetings of the Board of Directors including the annual meeting may be held at the registered office of the corporation or at such other place or places, either within or without the state of Washington, and at such time as the Board of Directors may from time to time designate. In addition to the annual meeting, there

shall be regular meetings of the Board of Directors held, with proper notice, not less frequently than three (3) times annually.

4.4 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or upon written request by any two (2) directors. Such meetings shall be held at the registered office of the corporation or at such other place or places as the directors may from time to time designate. Special meetings shall be limited to the purpose for which they are called; no other business shall be transacted.

4.5 Notice. Notice of all regular and special meetings of the Board of Directors shall be given to each director by three (3) days' prior service of the same by delivering personally, by facsimile, by electronic mail, or by mailing a written or printed notice of the same. Notice of regular and special meetings shall state place, day and hour of such meeting, and for notices of special meetings, the purpose or purposes for which the meeting is called.

4.6 Quorum. A majority of the number of directors fixed by or in the manner provided in these Bylaws shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business.

4.7 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

4.8 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless his/her dissent or abstention is entered in the minutes of the meeting or unless the director shall file a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

4.9 Executive and Other Committees. The Board of Directors may appoint, from time to time, from its own number, an Executive Committee or other standing or temporary committees consisting each of no fewer than two (2) directors. Such committees may be vested with such powers as the Board may determine by resolution passed by a majority of the full Board of Directors. No such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing these Bylaws; electing, appointing or removing any member of any such committee or any director or officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease or exchange of all or substantially all of the property and assets of the corporation other than in the ordinary course of business; authorizing the voluntary dissolution of the corporation or adopting a plan for the distribution of the assets of the

corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.10 **Remuneration.** No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

4.11 **Loans.** No loans shall be made by the Corporation to any director.

4.12 **Removal.** Any director may be removed at any time, with or without cause, by (a) the affirmative vote of two-thirds of the members present at the annual meeting or any special meeting of members called for that purpose, (b) the affirmative vote of two-thirds of the entire Board at any regular meeting or any special meeting called for that purpose, or (c) the affirmative vote of two-thirds of the entire Board at any regular meeting or any special meeting called for that purpose if such director has failed to attend at least fifty percent (50%) of the regular meetings of the Board during the prior calendar year.

4.13 **Action by Directors Without a Meeting.** Any action required or permitted to be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting by a written consent setting forth the action so to be taken, signed by all of the directors, or all of the members of the committee, as the case may be before such action is taken. Such consent shall have the same effect as a unanimous vote. Any such action may also be ratified after it has been taken, either at a meeting of the directors or by unanimous written consent.

4.14 **Meetings by Conference Call or Other Electronic Means.** Members of the Board may meet through use of conference telephones, electronic video screen communication, or other communication equipment if all of the following apply:

4.14.1 each member can communicate with all of the other members concurrently;

4.14.2 each member is provided with a means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken;

4.14.3 A means of verification is adopted and implemented by the corporation as to both of the following (i) the person communicating by electronic means is entitled to participate in the Board meeting and (ii) all

statements, questions, actions or votes were made by that person and not by another not entitled to participate.

ARTICLE V. OFFICERS

5.1 Designations. The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board may designate. Except as provided in Section 5.6 below, all officers must be directors of the corporation. All officers shall be elected for terms of one (1) year by the Board of Directors. Such officers shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 The President. The President shall preside at all meetings of the Board of Directors, shall have general supervision of the affairs of the corporation, and shall perform such other duties as are incident to the office or are properly required of the President by the Board of Directors.

5.3 Vice Presidents. During the absence or disability of the President, any of the Vice Presidents in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice President shall have such powers and discharge such duties as may be assigned to him or her from time to time by the Board of Directors.

5.4 Secretary and Assistant Secretaries. The Secretary shall issue notices for all meetings, except for notices of special meetings of the members and the Board of Directors which are called by the requisite number of directors, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors. The Assistant Secretary, or Assistant Secretaries, in the order designated by the Board of Directors, shall perform all of the duties of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.

5.5 The Treasurer. The Treasurer shall have the custody of all moneys and securities of the corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors (taking proper vouchers for such disbursements) and shall render to the Board of Directors from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the corporation. No funds of the corporation shall be drawn except upon the signature of the Treasurer, except as otherwise provided by the Board of Directors by resolution from time to time. The Treasurer shall perform such other duties as are incident to the office or are properly required by the Board of Directors. The Assistant Treasurer, or Assistant Treasurers, in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of

the Treasurer, and at other times may perform such other duties as are directed by the President or the Board of Directors.

5.6 Executive Director. The Board may select an Executive Director who shall be responsible for the administration and conduct of the business and affairs of the corporation pursuant to guidelines established by the Board. The Executive Director shall have full authority for direction of the employees of the corporation, if any. The Executive Director, if selected, may be compensated for his or her services in that capacity in such amount and manner as the Board of Directors shall determine.

5.7 Delegation. If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or any other person it may select.

5.8 Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

5.9 Other Officers. The Board of Directors may appoint such other officers or agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.10 Loans. No loans shall be made by the corporation to any officer.

5.11 Term-Removal. The officers of the corporation shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.12 Bonds. The Board of Directors may, by resolution, require any and all of the officers to provide bonds to the corporation, with surety or sureties acceptable to the Board, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI. DEPOSITORIES

The moneys of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the Board of Directors.

ARTICLE VII. NOTICES

Except as may otherwise be required by law, any notice to any member or director may be delivered personally, by facsimile, electronic mail or by US mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the corporation, postage prepaid.

ARTICLE VIII. SEAL

The corporate seal of the corporation, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the corporation.

ARTICLE IX. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

The corporation shall indemnify its officers, directors, employees and agents to the greatest extent permitted by law.

The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at the request of the corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of any status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

ARTICLE X. BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its directors, giving the names and addresses of all directors.

ARTICLE XI. AMENDMENTS

The Board of Directors shall have power to make, alter, amend and repeal the Bylaws of this corporation.

Adopted by resolution of the corporation's Annual Meeting on April 14, 2022.

Tim Hightower, Secretary