

**BYLAWS
OF THE
AMADOR COUNTY WINE HERITAGE DISTRICT**
A California Nonprofit Mutual Benefit Corporation

PREAMBLE

The following Bylaws shall be subject to, and governed by, the California Nonprofit Mutual Benefit Corporation Law of California and the Articles of Incorporation of Amador County Wine Heritage District (“ACWHD”). In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the California Nonprofit Mutual Benefit Corporation Law, said California Nonprofit Mutual Benefit Corporation Law shall be the prevailing controlling law.

ARTICLE 1 – NAME

Section 1.1 The name is Amador County Wine Heritage District and shall herein be referred to as the “**Corporation**” or “**ACWHD**.” The boundaries of the ACWHD will be the County of Amador, including the cities of Plymouth, Amador City and Sutter Creek, as shown on the map attached hereto as **Exhibit A**.

ARTICLE 2 – PURPOSE AND LIMITATIONS

Section 2.1 The Corporation has been formed under the California Nonprofit Mutual Benefit Corporation Law for the purposes set forth in the Articles of Incorporation.

Section 2.2 The Corporation is established within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or the corresponding section of any future federal tax code.

Section 2.3 In addition, this Corporation has been formed for the purpose of performing all things incidental to, or appropriate in, the foregoing specific and primary purposes. However, the Corporation shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its primary nonprofit and tax-exempt purposes.

Section 2.4 The Corporation shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Corporation. At no time and in no event shall the Corporation participate in any activities which have not been permitted to be carried out by a Corporation exempt under Section 501(c) of the Code, such as certain political and legislative activities.

ARTICLE 3 – OFFICES

Section 3.1 The principal office of the Corporation shall be located at such place within the State of California as shall be fixed from time to time by resolution of the Board of Directors

(the “**Board**”), and if no place is fixed by the Board, such place shall be fixed by the Chair of the Board.

Section 3.2 The Corporation may have other such offices as the Board may determine or deem necessary either within or outside the State of California, or as the affairs of the Corporation may find a need for from time to time, provided that any permanent change of address for the principal office is properly reported as required by law.

ARTICLE 4 – DEDICATION OF ASSETS

Section 4.1 The properties and assets of the Corporation are irrevocably dedicated to and for nonprofit purposes only. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any person or any member, director, or officer of this Corporation. On liquidation or dissolution, all remaining properties and assets of the Corporation shall be distributed and paid over to an organization dedicated to nonprofit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE 5 – MEMBERSHIP

Section 5.1 **Members.** The Corporation shall be operated exclusively for and to benefit the California Department of Alcoholic Beverage Control “02” licensed wineries operating within the ACWHD boundary within Amador County, California subject to the requirements of ACWHD Management District Plan (each, a “**Member**” and collectively, “**Members**” or the “**Membership**”). The purpose of this organization is to market the region and support the Membership with resources to provide education and enhance quality.

Section 5.2 **Mission.** By virtue of membership, each Member subscribes to and supports the mission statement and goals of the Corporation.

Section 5.3 **Meetings.**

(a) **Annual Meetings.** A general meeting of Members shall be held at least annually at such time and place, and on such notice, as the Board may determine. Unless elected by written ballot, the Board shall be elected at this meeting. Subject to any additional restrictions in these Bylaws, any other proper business may be transacted at this meeting.

(b) **Special Meetings.** The Board, or the Chair of the Board, or five percent (5%) or more of the Members may call a special meeting of the Members for any lawful purpose at any time. A special meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and addressed to the attention of and submitted to the Chair of the Board, Vice-Chair, or Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the Members entitled to vote under this Article, stating that a meeting will be held at a specified time and date fixed by the Board. The meeting shall be at least thirty-five (35) but not more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as

limiting, fixing, or affecting the time at which a meeting of Members may be held when the meeting is called by the Board. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

(c) **Notice of Certain Agenda Items.** Approval by the Members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (i) Removing a Director without cause;
- (ii) Filling vacancies on the Board;
- (iii) Amending the Articles of Incorporation of the Corporation;
- (iv) Electing to wind up and dissolve the Corporation;
- (v) Approving a contract or transaction between the Corporation and

one or more Directors, or between the Corporation and any entity in which a Director has a material financial interest.

(d) **Place of Meeting; Electronic Communications.** Meetings of the Members shall be held at any place within or outside California designated by the Board or by the written consent of all Members entitled to vote at the meeting, given before or after the meeting. In the absence of such designation, Member meetings shall be held at the Corporation's principal office, as defined in these Bylaws. The Board may authorize Members who are not present in person to participate by electronic means, pursuant to relevant provisions of California Nonprofit Mutual Benefit Corporation Law. A Member joining by electronic means shall be deemed present if the Corporation provides the Member with reasonable opportunity to participate in the meeting and vote on matters submitted to the Members.

Section 5.4 Voting.

(a) **General.** All Members shall have the right to vote on matters that come before the Members consistent with the provisions of this Section 5.4. Each Member shall choose a representative who is designated to receive correspondence and ballots from the Corporation (for each, the "**Representative**"). The Representative must be an active owner or a ~~designee senior management level full-time employee~~ of the Member.

Member voting shall be proportional according to each Member's assessment contribution with the top fifteen (15) wineries, by assessment contribution, each receiving three (3) votes, the next ten (10) wineries by assessment contribution each receiving two (2) votes and the balance of the wineries receiving one (1) vote each. With respect to Board elections, Members with multiple votes may cumulate their votes and cast them for multiple candidates as provided in Section 5.4(b) below.

(b) **Cumulative Voting.** At each election for Directors, every Member entitled to vote at such election shall, subject to the satisfaction of the conditions set forth in this Section 5.4(b), have the right to cast the number of votes allocated according to Section 5.4(a), for as many persons as there are Directors to be elected, or to cumulate its votes by giving one

candidate as many votes as the number of such Directors multiplied by the number of its votes allocated according to Section 5.4(a), or by distributing such votes on the same principle among any number of candidates.

With respect to the election of Directors, if cumulative voting is to be utilized pursuant to this Section 5.4(b), the following must both occur prior to voting:

- (i) The candidates' names must be placed in nomination prior to voting; and
- (ii) A Member must state its intention to cumulate votes.

Once one Member of the Corporation has given notice of its intent to cumulate its votes, all Members of the Corporation may cumulate their votes in the same election of Directors.

Section 5.5 Quorum. At all Member meetings, one-third (1/3) of the Members present in person or by proxy shall constitute a quorum for the transaction of business. Any act approved by a majority of the voting power based on proportional voting as set forth in Section 5.4(a) above, represented at the meeting at which a quorum is present, entitled to vote, and voting on any matter is the act of the Members, unless the California Nonprofit Mutual Benefit Corporation Law, the Articles of Incorporation, or these Bylaws require a greater number. A meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members who constitute the required quorum for the meeting as provided in this Article, or such greater number as required by California Nonprofit Mutual Benefit Corporation Law, the Articles of Incorporation, or these Bylaws.

Section 5.6 Change In Ownership. In case of change in the ownership of a Member, the Membership in the Corporation may be transferred to the new owner, provided it meets the qualifications of Membership and the dues, fees, or assessments are paid. Should a Member establish or acquire an additional business as a separate entity, the separate entity must meet all qualifications of Membership before being admitted as a Member.

Section 5.7 Suspension and Termination.

(a) **Grounds for Suspension or Termination.** A Membership shall be suspended or terminated whenever the Board, or a committee or person authorized by the Board, reasonably and in good faith determines that any of the following events have occurred:

(i) Resignation of the Member, on three (3) months' notice to the Corporation. Such resignation shall not relieve the resigning Member from any obligation for charges incurred, or dues, assessments, or fees arising from contract or otherwise. This Section shall not diminish any right of the Corporation to enforce any such obligation or obtain damages for its breach.

(ii) Expiration of the period of Membership, unless the Membership is renewed on the renewal terms fixed by the Board.

(iii) Failure of a Member to pay dues, fees, or assessments as set by the Board within ~~sixtythirty~~ (630) days after they become due and payable.

(iv) Occurrence of any event that renders the Member ineligible for Membership, or failure to satisfy Membership qualifications, including, but not limited to failure of a Member to honestly disclose ownership in total acreage owned or case production.

(v) Suspension or termination of the Member based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has failed in a material and serious degree to observe the policies or rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

(b) **Procedure.** If grounds appear to exist for suspending or terminating a Member under this Section, the following procedure shall be followed to ensure the suspension or termination is done in good faith:

(i) The Board shall give the Member at least fifteen (15) days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the Member's last address as shown on the Corporation's records.

(ii) The Member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(iii) The Board, committee, or person shall decide whether the Member should be suspended, expelled, or sanctioned in any way. The decision of the Board, committee, or person shall be final.

(iv) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

ARTICLE 6 - BOARD OF DIRECTORS

Section 6.1 General Powers and Responsibilities. The Corporation shall be governed by a Board, which shall have all the rights, powers, privileges, and limitations of liability of directors of a nonprofit corporation organized under the California Nonprofit Mutual Benefit Corporation Law of California. The Board shall establish policies and directives governing business and programs of the Corporation and shall delegate to the Executive Director and Corporation staff, subject to the provisions of these Bylaws, authority, and responsibility to see that the policies and directives are appropriately followed.

The Board shall, by written policy, confirmed by a quorum of the Board, at a regularly scheduled meeting, adopt such policies necessary to further delineate and clarify Board intent in the execution

of day-to-day oversight of the Corporation. Such formal policies shall be available to the Membership upon request and modified only by a quorum of the Board at a regularly scheduled meeting.

Section 6.2 Number and Qualifications. Except for the Incorporator Directors set forth in Section 6.5 below, the authorized number of members of the Board of Directors (each a “**Director**” and collectively, “**Directors**”) shall be [not less than] ~~five~~ ~~seven (57)~~ [and no more than] ~~eleven (11)~~ ~~fourteen (14)~~. Once Members have been admitted, a bylaw specifying or changing a fixed number of Directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the Members.

Section 6.3 Qualifications of Directors. Directors shall be owners of Member wineries or authorized designees holding upper management position directly affiliated with the winery.

Section 6.4 Advisory Members. The Corporation shall have four (4) non-voting Directors (“**Advisory Directors**”), appointed by Visit Amador, the Amador Chamber of Commerce, and local government bodies. The number of Advisory Directors shall be subject to change by a vote of the Members. Advisory Directors shall not have the right to vote on matters before the Board, and shall not count toward the total number of Directors under Section 6.2, nor shall they count toward a quorum. Advisory Directors may attend all open session meetings of the Board but may be excluded from closed-session meetings of the Board at the Board’s sole discretion.

Section 6.5 Director Terms. Directors appointed by the incorporator (“**Incorporator Directors**”) will serve until the Members meet to conduct the first election for Directors of the Corporation. The initial term of Directors first elected by the Members (“**Initial Term**”) will be staggered with three (3) Directors each serving a three (3) year term, two (2) Directors each serving a two (2) year term and two (2) Directors each serving one (1) year term. The Initial Terms will be decided based on the number of votes received in descending order. After the Initial Terms, each Director shall serve a three (3) year term. No person shall serve more than two consecutive terms, or a total of six (6) years, whichever comes earlier. After serving the maximum total number of consecutive terms on the Board, a Director may be eligible for reconsideration as a Director after four (4) years have passed since the conclusion of such Director’s service.

Section 6.6 Board Compensation. The Board shall receive no compensation other than for reasonable expenses. Nothing in these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for services rendered, provided they resign their seat as a Director and comply with all restrictions imposed by the Conflict-of-Interest section below and standards of prudent business judgement.

Section 6.7 Nominations. Eligible Members may place their name in for nomination, upon a formal call for nominations, and be elected by a vote of the Membership from an election to be held annually within ~~sixty~~ ~~thirty~~ ~~(60)~~ days of the start of the fiscal year. The eligible Members receiving the highest numbers of votes will be seated to serve the available term(s), pursuant to Section 6.5.

Section 6.8 Vacancies. A vacancy on the Board will be deemed to exist at the occurrence of any of the following conditions:

(a) The death, resignation, or removal of any Director.

(b) The declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by court order or convicted of a felony, or who has been found by final order or judgment of any court to have breached a duty under Corporations Code Section 7231 and following of the California Nonprofit Corporation Law.

(c) An increase in the authorized number of Directors. A reduction in the number of authorized Directors shall not result in any Director being removed before their term of office expires.

(d) By vote of the Membership to remove the Director as provided in Section 6.11(a) below.

(e) Removal due to the Director's absences as provided in Section 6.11(b) below.

Section 6.9 Filling of Vacancies. Except for a vacancy created by the removal of a Director by the Members, vacancies on the Board may be filled by vote of a majority of the Directors then in office. If the number of Directors then in office is less than a quorum, the vacancy may be filled by the unanimous written consent of the Directors then in office. In the event of a vacancy created by a vote of the Members, the Members may elect a Director or Directors at any time to fill such vacancy. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office without standing for election

Section 6.10 Resignation. Each Director shall have the right to resign at any time upon written notice thereof to the Chair of the Board, Secretary of the Board, or the Executive Director. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to be effective. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be required in order for it to be effective. If a Director's resignation is to be effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 6.11 Removal.

(a) Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board then in office at a special meeting called for that purpose, or at a regular meeting; provided that notice of that meeting and of the removal questions are properly given.

(b) Any Director who does not attend three (3) successive Board meetings will automatically be removed from the Board without need for a Board resolution unless:

(i) The Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting. If such leave is granted,

the number of Directors will be reduced by one (1) in determining whether a quorum is or is not present.

(ii) The Director suffers from an illness or incapacity which prevents the Director from attending meetings and the Board by resolution waives the automatic removal procedure of this Subsection (ii).

(iii) The Board by resolution of the majority of Directors agrees to reinstate the Director who has missed three (3) meetings.

Section 6.12 Annual and Regular Meetings. The Board shall hold an annual meeting at a time and place fixed by the Board, at which meeting the Board shall appoint officers, provide a state of the Corporation overview reporting on the performance metrics adopted to measure the Corporation's progress towards meeting key objectives, and transact any other business as shall come before the meeting. The Corporation is also obligated to report annually to the Amador County Board of Supervisors (the "**Supervisors**") related to its conformance with the requirements set forth in the Management District Plan adopted by the Supervisors. The Board's regular meetings may be held at such time and place as shall be determined by the Board. All regularly scheduled Board meetings shall be noticed to the Membership and the agenda shall provide a period for comments from the Members and/or public. Agendas, Committee Meeting Minutes, financial reports and reports related to potential Board action will be provided to the Membership in advance of any regularly scheduled meeting.

Section 6.13 Special Meetings. The Chair of the Board or any four (4) regular Directors may call a special meeting of the Board with three (3) days' written notice provided to each member of the Board. The notice shall be served upon each Director via hand delivery, regular mail, email, or fax. All such notices shall be given or sent to the Director's address or email address as shown on the Corporation's records. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board.

Section 6.14 Waiver of Notice. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to them.

Section 6.15 Minutes. The Secretary shall be responsible for the recording of all minutes of every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the Chair of the Board shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, which shall be delivered to the Corporation to be placed in the minute books. A copy of the minutes shall be delivered to each Director via either regular mail, hand delivered, emailed, or faxed within thirty (30) business days after the close of each Board meeting.

Section 6.16 Action by Written Consent. Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Directors. The number of Directors in office must constitute a quorum for an action taken by written consent. Such consent shall be placed in the minute book of the Corporation and shall have the same force and effect as a vote of the Board taken at an actual meeting. The Directors' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures, and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

Section 6.17 Quorum. A majority of the actual number of Directors currently in office shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to California Nonprofit Mutual Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting. A Director shall be considered present at any meeting of the Board or Board Committees if during the meeting he or she is present via telephone or web conferencing with the other Directors participating in the meeting.

Section 6.18 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 6.19 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. This notice may be waived in the same manner as set forth under Section 6.14.

Section 6.20 Voting. Each Director shall only have one vote. Directors cannot vote by proxy.

ARTICLE 7 – OFFICERS & EMPLOYEES

Section 7.1 Officers and Duties. The Board shall appoint officers of the Corporation, including a Chair of the Board, a Vice Chair, a Secretary, a Treasurer, and an Executive Director, and any other officers with any titles and duties as may be stated in these Bylaws. In accordance with this Article, officers shall conduct all duties typically pertaining to their offices and other such duties which may be required by California Nonprofit Mutual Benefit Corporation Law, the Articles of Incorporation, or by these Bylaws, subject to control of the Board, and they shall perform any other such additional duties which the Board may assign to them at the Board's discretion. The Board will hire as an employee the Executive Director, who will oversee the day-to-day operations of the Corporation.

The officers will be selected by the Board at its annual meeting, and shall serve the needs of the Board, subject to the requirements in these Bylaws.

Any and all vacancies in any office because of death, resignation, disqualification, removal, or for any other cause, shall be filled in accordance with the herein prescribed Bylaws for regular appointments to such office.

Section 7.2 Removal of Officers. Without prejudice to the rights of any officer under an employment contract with the Corporation, the Board may remove any officer with or without cause.

Section 7.3 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need to be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the officer is a party.

Section 7.4 Chair of the Board. It shall be the responsibility of the Chair of the Board, when present, to preside over all meetings of the Board and Executive Committee. The Chair of the Board is authorized to execute, in the name of the Corporation, any and all contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by the Corporation, and is authorized to delegate such authority to the Executive Director, unless specifically prohibited by the Articles of Incorporation.

Section 7.5 Vice Chair of the Board. In the absence of the Chair of the Board it shall then be the responsibility of the Vice Chair of the Board to perform all the duties of the Chair of the Board, and in doing so, she or he shall have all authority and powers of and shall be subject to all of the restrictions on the Chair of the Board.

Section 7.6 Secretary. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of Members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of Members present or represented at Members' meetings. The Secretary shall keep or cause to be kept, at the principal California office, a copy of the Articles of Incorporation and these Bylaws, as amended to date. She or he shall keep or cause to be kept at the Corporation's principal office or at a place determined by resolution of the Board, a record of the Corporation's Members, showing each Member's name and address. She or he shall attend to the giving and serving of all notices of the Corporation and shall see that the seal of the Corporation, if any, is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

Section 7.7 Treasurers The Treasurer will serve as the primary financial officer of the Corporation, and as the liaison between the Board and Finance Committee. The Treasurer shall ensure that all financial matters of the Corporation are conducted appropriately, in compliance with all relevant laws and regulations governing the non-profit. All matters will be considered at regularly scheduled Finance Committee meetings and all accounts and records of the Corporation shall be current and available for review. The Finance Committee shall report to the Board, in public session, the financial state of the Corporation on a monthly basis.

Section 7.8 Executive Director. It shall be the responsibility of the Executive Director, in general, to supervise and conduct all activities and operations of the Corporation, subject to the control, advice and consent of the Board. The Executive Director shall keep the Board completely informed, shall freely consult with them in relation to all activities of the Corporation, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The Executive Director serves as an employee of the Corporation, and they are selected by a vote of the majority of the Board. The Executive Director is an “At Will” position and shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board. The Executive Director, at all times, is authorized to contract, receive, deposit, disburse and account for all funds of the Corporation, to execute in the name of the Corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation, and to negotiate any and all material business transactions of the Corporation.

ARTICLE 8 – INDEMNIFICATION AND INSURANCE.

Section 8.1 Right to Indemnification.

(a) **Right of Indemnity.** To the fullest extent permitted by law, the Corporation shall indemnify its Directors and officers, and may indemnify employees and other persons described in California Corporations Code Section 7237(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. “Expenses,” as used in this Article, shall have the same meaning as in that Section of the Corporations Code, including reasonable attorneys’ fees.

(b) **Approval of Indemnity.** On written request to the Board by any person seeking indemnification under California Corporations Code Sections 7237(b) or 7237(c), the Board shall promptly decide under Section 7237(e) whether the applicable standard of conduct set forth in Sections 7237(b) or 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification, because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of the Members. At that meeting, the Members shall determine under California Corporations Code Section 7237(e) whether the applicable standard of conduct has been met and, if so, the Members present at the meeting in person or by proxy shall authorize indemnification.

(c) **Advancing Expenses.** To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by this Article shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

Section 8.2 Insurance. The Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

Section 8.3 Personal Liability of Directors and Officers. The personal liability of officers and Directors of the Corporation for negligent acts or omissions, debts, liabilities, and other obligations of the Corporation, shall be eliminated to the fullest extent permitted by law.

Section 8.4 Contractual Waiver of Liability of Members. The business and affairs of the Corporation shall be conducted to the end and in the view that no personal liability for any debts, liabilities or obligations of the Corporation, or otherwise, will be incurred, directly or indirectly by the Members, Directors or officers of the Corporation as such, as a result of, or through, such conduct. Any contracts, loans, or other obligations, written or oral, entered into by, in the name of, or on behalf of the Corporation, shall be entered into upon the express condition that none of the Members, Directors, or officers of the Corporation as such shall in any way be personally liable for the performance of any of the conditions, covenants or promises therein contained, or the payment of any of the sums therein provided or debts therein incurred, and all written contracts shall contain an express provision to such effect.

ARTICLE 9 – COMMITTEES

Section 9.1 Committees of Directors. The Board may, from time to time, and by resolution adopted by a majority of the Directors then in office provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of at least two (2) Directors. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. No committee, regardless of Board resolution, may:

- (a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the Membership;
- (b) Fill vacancies on, or remove the members of, the Board or any committee that has the authority of the Board;
- (c) Fix compensation of the Directors serving on the Board or on any committee;
- (d) Amend or repeal the Articles of Incorporation or Bylaws or adopt new bylaws;
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable; or
- (f) Appoint any other committees of the Board or their members.

Unless otherwise authorized by the Board, no committee shall bind the Corporation in a contract or agreement or expend Corporation funds.

Section 9.2 Advisory Committees. The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board. Advisory Committees may consist of Directors and also persons who are not on the Board but who the Board believe to be reliable and competent to serve as an advisor to the Corporation.

Section 9.3 Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions outlined elsewhere in these Bylaws concerning meetings and actions of the Board with such changes in the context of those Sections as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the respective committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept for each meeting of any committee and shall be filed with the Corporation's records. The Board may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee. If the Board has not adopted rules, each committee may do so.

Section 9.4 Finance Committee. The Finance Committee shall be responsible for making sure the Company/Organization's financial reports are accurate. It shall also oversee the budget and perform other duties like establishing reserve funds, lines of credit and investments. Consistent with Section 7.7, the Finance Committee shall report to the Board, in public session, the financial state of the Corporation on a monthly basis.

Section 9.5 Policy Committee. The Policy Committee shall handle all matters that relate to matters of policy, conformance with the Supervisors' Management District Plan and the evaluation and recommendation to modify or develop new policies affecting the Membership, such as signage, Membership eligibility, employment, and/or other policy matters as assigned by the Board.

Section 9.6 Marketing Committee. The Marketing Committee will oversee the development and execution of the Corporation's marketing plan and performance metrics to ensure that planned expenditures conform to the Supervisors' Management District Plan categories, fulfill the objectives of raising awareness, supporting events, consumer visits the economic health of the wineries and region as a whole. These objectives shall be delineated by the Board and developed with associated metrics that will be reported at least quarterly.

Section 9.7 Audit Committee. The Corporation shall have an Audit Committee consisting of at least two [2] Directors, and may include nonvoting advisors. Directors who are employees or officers of the Corporation, or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may

not serve on the Audit Committee. The Audit Committee's duties shall include, but are not limited to:

- (a) Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
 - (b) Negotiating the auditor's compensation;
 - (c) Conferring with the auditor regarding the Corporation's financial affairs;
- and
- (d) Reviewing and accepting or rejecting the audit.

Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. A majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the chair of the Audit Committee may not serve on the Finance Committee.

Section 9.8 Other Committees. Other committees may be formed by majority consent of the Board to fulfill specific obligations of the Board and/or to fulfill other initiatives that may be identified by the Board.

ARTICLE 10 – STANDARD OF CARE

Section 10.1 General. A Director shall perform all the duties of a Director, including, but not limited to, duties as a member of any committee of the Board on which the Director may serve, in such a manner as the Director deems to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the Corporation whom the Director deems to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants, or other persons, as to the matters which the Director deems to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director deems to merit confidence, so long as in any such case the Director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Any person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limitation of the following: any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

Section 10.2 Conflict of Interest Policy. The purpose of the Corporation's Conflict-of-Interest Policy, which may be updated from time to time by Board resolution, is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or Directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit, tax-exempt and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

Commented [CD1]: Suggest deleting Sections 10.2-10.4 and having a conflict of interest policy instead. See draft conflict of interest policy.

Section 10.3 Establishing a Conflict of Interest. After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Directors shall decide if a conflict of interest exists.

Section 10.4 Acknowledgement of Conflict-of-Interest Policy. Each Director, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

- (a) Has received a copy of the conflict-of-interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and

(d) Understands that the Corporation is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE 11 - EXECUTION OF CORPORATE INSTRUMENTS

Section 11.1 Execution of Corporate Instruments. The Board may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the Corporation, promissory notes, or other evidences of indebtedness of the Corporation, other corporate/organization instruments or documents, memberships in other corporations/organizations, shall be executed, signed, and/or endorsed by the Executive Director, Chair of the Board and Vice Chair.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board shall authorize to do so.

Section 11.2 Loans and Contracts. No loans or advances shall be contracted on behalf of the Corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board. Without the express and specific authorization of the Board, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

ARTICLE 12 – CERTAIN TRANSACTIONS

Section 12.1 Self-Dealing Transactions.

(a) **Transactions With Directors, Corporate Officers Or Their Companies.** A transaction between this Corporation and one or more of its Directors or Corporate Officers, or between this Corporation and any organization in which one or more of its Directors has a material financial interest, must be approved or ratified by the Board or a duly authorized Board committee after finding that such transaction is just and reasonable to this Corporation at the time; in either case without counting the vote, if any, of the interested Directors thereon. Such approval must be given in good faith, with full knowledge of the material facts concerning the transaction and the Director's interest in the transaction, after a reasonable investigation by the Board determining the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances.

(b) **Transactions With Organizations Sharing Directors.** Unless it is established that the contract or transaction is just and reasonable as to the Corporation at the time that it is authorized, approved, or ratified, this Corporation shall not enter into a contract or transaction with any other corporation, association, or entity in which one or more of the Corporation's Directors are directors unless the material facts as to the transaction and the Director's common directorship are fully known or disclosed to the Board. The Board must approve, authorize, or ratify any such contract or transaction in good faith and by a vote sufficient without counting the vote of common directors.

(c) **Interested Or Common Directors In Quorum.** Interested Directors or Corporate Officers that are directors of another organization may be counted in determining whether a quorum is present at any meeting of the Board or a Board committee that approves or ratifies a transaction under this Section.

Section 12.2 Loans to Directors and Officers. The Corporation shall not lend any money or property to, or guarantee the obligation of, any Director or officer of the Corporation unless (1) the Board decides that the loan or guaranty may reasonably be expected to benefit the Corporation, and (2) before consummating the transaction or any part of it, the loan or guaranty is approved by either the Members, without counting the vote of the Director or officer, if a Member, or the vote of a majority of the Directors then in office, without counting the vote of the Director who is to receive the loan or guarantee. The Corporation may advance money to a Director or Corporate Officer for expenses reasonably anticipated to be incurred in performance of the duties of such Director or Corporate Officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance. **[OR [The Corporation may not loan money or property to, or guarantee the obligation of, any Director or Corporate Officer.]**

ARTICLE 13 – RECORDS AND REPORTS

Section 13.1 Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Directors at all reasonable times during regular office hours.

Section 13.2 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The Corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three (3) years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 13.3 Maintenance and Inspection of Other Corporate Records. The Corporation shall keep adequate and correct books and records of accounts and written minutes of meetings of the Members, the proceedings of the Board and committees of the Board. The Corporation shall also keep a record of each Member's name and address. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Corporation shall turn over to his or her successor or the Chair of the Board, in good order, such corporate/organization monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations/organizations. The inspection may be made in person or by an agent or attorney and shall include the right to copy and make extracts of documents.

Any Member may, for a purpose reasonably related to the Member's interest as a Member inspect and copy the records containing the Members' names, addresses, and voting rights during usual business hours on five (5) days' written demand on the Corporation, which notice must state the purpose for which the inspection is requested; and obtain from the Secretary of the Corporation, upon written demand, a list of names, addresses, and voting rights of Members who are entitled to vote for Directors as of the date of the demand, provided the Member's written demand to the Secretary shall state the purpose for which the list is requested. The Secretary shall make this list available to the Member not later than ten (10) days after the date of demand, unless the demand provides a later deadline. Any inspection and copying authorized under this Section 14.3 may be made in person or by the Member's agent or attorney.

Section 13.4 Preparation of Annual Financial Statements. The Corporation shall prepare annual financial statements using generally accepted accounting principles. The Corporation shall make these financial statements available to the membership and members of the public for inspection no later than thirty (30) days after the close of the fiscal year to which the statements relate.

Section 13.5 Reports. The Board shall ensure an annual report is sent to all Directors within thirty (30) days after the end of the fiscal year of the Corporation, which shall contain the following information:

(a) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year.

(d) If applicable for the relevant year, an annual statement of transactions with interested persons and of indemnifications, pursuant to California Corporations Code Section 8322.

The report shall be accompanied by any pertinent report from an independent accountant or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The Corporation shall notify each Member of the Member's right to receive a copy of the report under this Section 14.5. On written request by a Member, the Board shall promptly cause the most recent annual report to be sent to the requesting Member. If the Member has consented to electronic communications, the Corporation may send the report and any accompanying material sent pursuant to this Section 14.5 by electronic transmission, including email.

ARTICLE 14 – FISCAL YEAR

Section 14.1 The fiscal year for this Corporation shall end on ~~December 31st~~June 30 of each year.

ARTICLE 15 – ELECTRONIC COMMUNICATIONS

Section 15.1 Any communication from or to the Corporation required or permitted to be done under these Bylaws (e.g., written consents or notices) shall include communications given through electronic transmissions by a means that creates a record that can be retained, retrieved, and reviewed, and that may later be transferred into a tangible and legible form. A written consent solicited by the Corporation may be delivered to a Member, Director, or officer by facsimile transmission or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that person on record with the Corporation; posting on an electronic message board or network which the Corporation has designated for those communications, together with a separate notice to the recipient of the posting; or other means of electronic communication; provided that such person has provided an unrevoked consent to the use of those means of transmission for communication by written consent. Any communication returned by a Member, Director, or officer to the Corporation may be delivered by the same

means; provided that the Corporation has adopted reasonable measures to verify that the sender is such person purporting to send the transmission.

ARTICLE 16 – AMENDMENTS AND REVISIONS

Section 16.1 Amendment. These Bylaws may be adopted, amended, or repealed by a vote of two-thirds (~~1~~/3) majority of the Membership.

Section 16.2 Interpretation. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California Nonprofit Mutual Benefit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Within such context, all questions of interpretation or construction of these Bylaws shall be decided by the Board, whose decision thereon shall be final.

Section 16.3 Construction. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible the remainder of these Bylaws shall be considered valid and operative, and effect shall be given to the intent manifested by the portion deemed invalid and inoperative.

CERTIFICATE OF SECRETARY

I, _____, certify that I am the current elected and acting Secretary of Amador County Wine Heritage District, and the above Bylaws are the bylaws of this Corporation as adopted by the Board of Directors on _____, 2024, and that they have not been amended or modified since the date above.

EXECUTED on this ____ day of _____, 2024, in the County of Amador in the State of California.

Name: _____
Title: Secretary

EXHIBIT A

ACWHD BOUNDARIES

