

COLORADO ASSOCIATION FOR VITICULTURE AND ENOLOGY BYLAWS

ARTICLE I. NAME

Section 1. Name. The name of this organization shall be the Colorado Association for Viticulture and Enology, or CAVE, hereinafter referred to as the Association.

Section 2. Organization. The Association is not organized for profit. The Association is registered with the Internal Revenue Service as a 501(C) 6 organization.

ARTICLE II. PURPOSE

Section 1. Association Purpose. The purpose of the Association shall be:

1. To encourage and support enology and viticulture in Colorado for the enrichment and sustainability of Colorado agriculture.
2. To promote the interests of Colorado grape growers and wineries in legislative and political matters.
3. To provide a forum for the exchange of ideas and to disseminate current information pertaining to optimum winemaking and agriculture practices for wineries and vineyards in the area.
4. To establish contacts and relationships with other associations, both regional and statewide, to further development and growth of the industry.
5. To make and receive grants and donations in furtherance of the purposes, charitable or community objectives of the Association.

ARTICLE III. MEMBERSHIP

Section 1. Full membership is open to any person in agreement with the purposes of the Association.

Section 2. Payment of annual dues per family or business confers full membership.

Section 3. Family membership shall be defined as a family or individual not engaged in a commercial wine or vineyard business, a family or individual membership shall have one vote in Association elections, and shall be allowed to have two persons attend CAVE meetings and seminars, at fees established by the Board of Directors.

Section 4. Business membership shall consist of one address, and the business membership holder shall be allowed one vote in Association elections, and shall be allowed to have up to three (3) persons, including the membership holder, attend CAVE meetings and to enroll in CAVE seminars, at fees established by the Board of Directors. Any entity registered as a vineyard and/or winery related business in any State should be a member within this category.

Section 5. Student members shall be encouraged by minimal membership and seminar fees as determined by the Board of Directors. Student membership status shall be available to individuals engaged in full or part-time study for academic credit towards an associate or higher degree (or as an area of emphasis) in enology, viticulture, or related scientific, engineering or business subjects, at an accredited institution of post-secondary education. Secondary school students shall also enjoy the same privileges as

those enrolled in post-secondary education. For purposes of membership voting, student members will not be allowed to participate in elections of the Association.

Section 6. Associate Membership. A member of the public or supporting vendors who support the purposes of the Association. Membership fees shall be determined by the Board of Directors. For purposes of membership voting, Associate members will not be allowed to participate in elections of the Association.

Section 7. Additional membership categories, benefits and requirements may be adopted by the Board of Directors from time to time.

ARTICLE IV. VOTING

Section 1. Voting concerning the election of Board of Directors members and By-law revisions shall be conducted by US Mail or secure electronic means. Ballots for the vote will be mailed or emailed no less than thirty (30) days in advance of the scheduled vote count. The vote packet shall include the Issue(s) to be voted upon, or the election ballot, in concise language. The vote packet shall include a first class US postage stamped envelope for the return mail of the vote or links to a secure electronic voting site. Mail or electronic ballots must be received by the Secretary the day before the stated Election Day.

Section 2. Breaking a tie vote for the election of Directors can be done by one of two methods: 1) Flipping a coin – if the candidates agree, the winner of the seat can be determined by flipping a coin for two-way ties. In a three-way or more tie, the candidates (if they agree) can either draw straws or draw a name to determine the winner, or 2) Runoff election – if the candidates do not agree to flip a coin or draw straws/names, a run-off election needs to be held. Only those candidates who tied for the seat are in the runoff election. Nominations are not reopened for the open seat. Until the tie is resolved, the other newly elected Directors will immediately begin serving their terms.

Section 3. Other voting issues can be completed by show of hands at regular scheduled meetings.

Section 4. A proxy vote is acceptable provided it is in writing and in the hands of the Secretary prior to the meeting, except for purposes of Board of Director and bylaw revision elections.

Section 5. A pass or fail vote on matters other than organizational changes, election of Board members or with long-term fiscal impact on the Association, may be held at a duly called membership meeting. The outcome shall be determined by the majority of members voting on a particular matter and present, by person or proxy, at the membership meeting. The winners of Board elections, as conducted by mail or electronic means, shall be determined by the numerical ranking of the board candidates in the election. The adaption or rejection of Bylaw revisions, by mail or electronic means, shall be by a simple majority of the cast ballots, in accord with Article III.

ARTICLE V. MEETINGS

Section 1. Membership Meetings. At least one (1) meeting of the entire membership of the Association shall be held each fiscal year, at times and places as determined by the Board of Directors, and may be held in conjunction with educational seminars for the members. Notice of regular membership meetings described in this Section 1 shall be

given in writing or electronically to each member not later than 30 days prior to the meeting.

Section 2. Special or additional meetings may be called by the President or majority of the membership. Notice of special or additional membership meetings shall be posted on the Association web site or given in writing or electronically to each member not later than fourteen (14) days prior to the meeting.

Section 3. Bylaw Amendments. Consideration of amendments to the Bylaws and all other Association business shall be voted upon in accord with Article IV of these Bylaws.

Section 4. Quorum. At a membership meeting, noticed to the membership in accord with Section 1, above, those present in person or by proxy shall constitute a quorum for the transaction of business. For mail-in or electronic elections, the majority of those responding and entitled to cast votes shall constitute a quorum. If a quorum exists, action on a matter, other than the elections of Directors or Bylaw revisions, is approved if the votes cast favoring the action exceed the votes cast opposing the action.

Section 5. Electronic Meeting Participation. Participation in meetings may be by electronic means. All persons participating in the meeting must be able to hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE VI. DUES

Section 1. Dues of the Association will be set by the Board of Directors based on the desires and needs of the organization, with approval voted by the majority of the membership.

Section 2. Dues Assessment. Dues are assessed upon application for membership, and thereafter are assessed on the anniversary date of the membership.

Section 3. Fiscal Year. The fiscal year shall commence on January 1 and shall end on December 31 of each year.

Section 4. Dues must be current in order to vote on all matters before the Association.

ARTICLE VII. BOARD OF DIRECTORS

Section 1. Duties of the Board. The management of the affairs, business, personnel and interests of the Association shall be vested in a Board of Directors. Directors shall be full members of the Association or represent an entity which is a full member.

Section 2. Board Member Composition. The Association Board of Directors shall consist of nine (9) members and two (2) ex-officio members. Three (3) directors shall be elected annually, serving a three (3) year term. A Director shall serve no more than two (2) consecutive terms, thereby serving a maximum of six (6) consecutive years. In addition, the Board of Directors shall include "ex-officio" members as outlined in Article VIII, below.

Section 3. Board Vacancies. Vacancies on the Board may be filled for the balance of the term thereof, if less than 12 months, by a majority vote of the Board of Directors. If the remaining time of a Director's term is more than 12 months at the time the vacancy is created, the position should be offered to other unelected Board candidates from the most recent election in order of declining vote count. If the vacancy is not filled by this method, a vote of the membership shall be required to fill the vacancy, in accord

with Article IV. If a board member is elected during such interim period, they will still be eligible for (2) two full board terms thereafter.

Section 4. Meeting Notice. Written notice of the Board's meeting shall be sent to the Board either electronically or by mail by the Secretary at least fourteen (14) days in advance of each meeting. Special meetings of the Board may be called by the President or a majority of the Board members for emergency or urgent affairs of CAVE with less than 14 day' notice. The Board of Directors at their regular or special meetings may adjourn into Executive Session on an as-needed basis to discuss personnel matters. Member or vendor guests or staff shall not be present during Executive Sessions.

Section 5. Quorum. A majority of the elected Directors of the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a majority is present for a meeting, a majority of the directors present may adjourn the meeting without further notice. If such a meeting is held without a majority of Directors present, the Directors present may hold the meeting as a "committee of the whole." Any actions taken by such committee shall only become effective upon approval by the Board at the next available regular or special meeting.

Section 6. Removal. Directors may be removed by a majority vote of the Association for cause, misfeasance, malfeasance or nonfeasance. Directors may resign from the Board at any time upon written notice to the President.

ARTICLE VIII OFFICERS. BOARD OF DIRECTORS

Section 1. Director Term, Officer Elections. The Board of Directors will elect a minimum of three (3) Officers annually from among the elected Board members to perform the Association functions of President, Vice President, Secretary/ Treasurer. This election of officers shall occur within 30 days following the scheduled vote count to select Directors, as detailed in Article IV, above and must be announced to the Association members within 30 days thereafter. The announcement can be completed electronically, or by mail to the entire membership. The term of the Officers shall be one year. The Officer duties will commence immediately upon election and continue until their successors are elected. The duties and function of each Officer shall be determined by Board of Directors. Additional Officers may be elected, if needed, by the Board of Directors. The general duties of the Officers follow:

Section 2. President. The President shall preside over all meetings, shall promote the purposes of the Association, enforce observance of the Bylaws, perform duties incidental to the office, and be the primary representative of the Association.

Section 3. Vice President. The Vice President shall perform such duties as may be assigned by the President, and shall preside at meetings in the event of the President's absence.

Section 4. Secretary. The Secretary shall be responsible for minutes of all meetings of the Association. The Secretary shall be responsible for Association correspondence, as well as notifying all members in writing or by electronic means of meetings. All or part of these functions may be performed by Association staff, as the Board of Directors deems appropriate.

Section 5. Treasurer. The Treasurer shall collect dues; give receipts for dues paid, and shall deposit all monies in the name of the Association bank accounts. The Treasurer shall furnish to the Association an annual financial accounting at least once per year, at

the regular or special membership meetings. In addition, the Treasurer shall be responsible, in conjunction with Association staff and other Officers, for developing and monitoring Association budgets in accord with the fiscal year. The routine duties of the Treasurer may be performed by Association staff, as deemed appropriate by the Board of Directors, or contracted to an outside, independent vendor. However, either the Treasurer or President, or both, shall supervise any accounting and auditing functions.

Section 6. Meetings. The Board of Directors shall meet at least four (4) times a year and at such other times as deemed necessary by the President. Such meetings may be attended by Directors via electronic means and such attendance will be considered as being present in person for the purposes of determining a quorum.

Section 7. Ex-Officio Board Members. The immediate past president of the Board will serve as a non-voting, ex-officio member of the Board of Directors. Likewise, a representative currently serving and appointed or employed by the Colorado Wine Industry Development Board, shall also serve as an ex-officio member of the Association Board of Directors. Neither of the ex-officio members will have a vote on the Association Board of Directors.

Section 8. Meeting Guests. Members of the Association or persons invited by the Board may attend or participate in Board meetings, but shall not vote.

Section 9. Agreements. The Board of Directors may negotiate agreements, enter into contracts with individuals or groups, and authorize payment of fees for services rendered to the Association and/or the Association's interests. It may authorize the employment of individuals not members of the Association to perform services for the Association, and establish compensation, conditions and requirements for such employment or services. At the board's request, it shall have the right to review and authorize all expenditures.

Section 10. Insurance. The Board of Directors may purchase liability insurance for any or all of its activities and to indemnify the members of the Board of Directors and the Association's committees, individually and collectively, and anyone acting on behalf of the Board of Directors at its specific request, for and against any liability resulting from actions taken on behalf of the Association.

Section 11. Delegation. The Board of Directors may delegate specific or general authority to any of the officers, directors or committees when necessary for the orderly and prompt performance of its functions.

Section 12. Fund Raising. The Board of Directors is responsible for raising adequate funding to support the Purposes of the Association, by determining dues for membership, subject to approval by members under Article VI above; shall organize and conduct fund raising events, which shall consist of at least one Wine Festival annually. Other events, including those not specifically for fund raising, may be added or deleted from the Association's calendar at the discretion of the Board. It is the intent of the Association that members will participate in or help plan and conduct fund raising events.

Section 13. Staffing. The Board of Directors is responsible for the hiring and retention of adequate, qualified, full or part-time staff positions, or qualified vendors, to carry out the Purposes of the Association, along with Board responsibilities, including any book keeping duties or event promotions, as needed. If an Association member is hired as a full or part-time employee, or contractor, they shall be compensated at no more than

market rates. Board members shall not be employees or vendors. Board members may be contractors under special circumstances, approved by the Board of Directors. The Board shall have the right to review and authorize all expenditures.

Section 14. Outside Professional Expertise. The Board of Directors is responsible for the retention of outside legal counsel, financial accounting or audit services on an as-needed basis to advise the Association regarding legal and financial matters. Other experts in marketing, governmental relations, enology, viticulture or other professions related to production and promotion of Colorado wine may be retained on an as-needed basis.

Section 15. Officer Succession. It is the goal of the Association to provide succession of the President by the Vice-President, subject to the annual election of Officers and the electoral terms of the Directors.

Section 16. Director Compensation. The Board of Directors shall not be compensated for service.

Section 17. Removal. Directors can be removed by a majority vote of the Association for misfeasance, malfeasance or nonfeasance.

ARTICLE IX. COMMITTEES

Section 1. Association Committees. Committees shall be formed as needed by the Board of Directors. The following shall be standing committees: Colorado Mountain Winefest, Colorado Urban Winefest (Denver), Personnel, Education and Finance. These committees shall meet as needed to formulate recommendations to the Board of Directors for their consideration and approval. Each committee shall contain at least one member of the Board of Directors. Committees are intended to consist primarily of Association members, may also include volunteers, who are not members of the Association. However, Association non-member volunteers shall not be the majority of the people serving on a particular committee. Committee member terms shall be for one year. The Board of Directors shall re-appoint committees each year.

ARTICLE X. ACCOUNTS

Section 1. Accounting. An adequate accounting system shall be used to provide for proper and orderly recording of all monetary transactions.

Section 2. Bank Accounts. There shall be established and maintained at least one bank account in the name of the Association. Signatures for withdrawal of funds from the account shall be required of the Treasurer and/or one (1) other designated officer.

Section 3. Member Use of Assets. No money or property shall be distributed to the members, but shall be used by the directors for the furtherance of the purposes of the Association.

Section 4. Financial Review. Once every two years a certified accounting firm with no current business ties to the Association will examine the financial records and back-up materials of the Association—e.g. checks, invoices, periodic profit and loss statements, etc. Prior business ties to the Association and any current or prior business ties to Association members shall be disclosed and considered by the Board of Directors as part of the selection process. The report of this examination will be presented to all Board members and then made available to all Association members either by mail or electronically. The Association will pay for the cost of this examination.

Section 5. Signature Procedures. The Board of Directors shall establish signature procedures for funds disbursement to assure timely payment of expenses while retaining oversight of significant expenditures in accord with budgets.

ARTICLE XI. BYLAW CHANGES

Section 1. Bylaw Changes. The Bylaws may be changed by the procedures outlined in Article IV.

ARTICLE XI. RULES OF ORDER

Section 1. Robert's Rules of Order shall be the official guide for determining questions of order and parliamentary procedures.

Section 2. Discussions and idea-generating parts of any meeting of the Board of Directors or a committee will be governed by such methods for encouraging discussion as consensus, nominal group technique, brainstorming, etc. Once a motion and a second are made, the presiding official will ask for discussion. If no discussion is forthcoming, the presiding official will call for a vote.

By-Laws Revised:

November 1986

March 1988

October 1988

March 1995

March 1998

April 2000

December 2006

January 2009

December 2009

December 2012