

Adopted by General Membership at the Annual Meeting 1/4/2016

**KENTUCKY WINERIES  
ASSOCIATION  
BY-LAWS**

**FOUNDED IN 2007**

Adopted by General Membership at the Annual Meeting 1/4/2016

**By-Laws  
Of  
Kentucky Wineries Association**

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## ARTICLE 1

### Name, Principal Office, Purpose and Restrictions

**1.01 Name.** The name is Kentucky Wineries Association, a Kentucky nonprofit corporation ("Association").

**1.02 Principal Office.** The Board of Directors ("Board") shall determine the location of the principal office of the Association within Kentucky.

**1.03 Purpose.** The purpose of the Association is to advance the wine industry of Kentucky through programs and activities which promote the Kentucky Wineries Association both financially and legislatively.

**1.04 Compliance with Laws.** All policies and activities of the Association shall be consistent with applicable federal, state and local antitrust, trade regulation laws and other legal requirements, including the Kentucky Nonprofit Corporation Law, under which the Association is organized and operated, and applicable federal and state tax-exemption requirements.

## ARTICLE 2

### Membership

**2.01 General Membership.** General membership in the Association is extended to any person or firm that is a Kentucky Small Farm Winery licensed brand owner which annually produces and bottles, in Kentucky appellation table wine, dessert wine, sparkling wine sold commercially as approved by the Board. By virtue of membership, each general member subscribes to the mission statement and goals of the Association and shall participate in the Association. Each general member shall have the right to vote on all matters that come before the general members. Each general member shall choose a representative from the winery who is designated to receive correspondence and ballots from the Association.

**2.01.a Associate Membership.** An Associate membership in the Association is extended to any person or firm that has expressed interest in participating in the industry. An associate member will not have voting privileges. Other tiered Associate Memberships may be developed to reflect future membership needs. Associate Membership fees will be set by the

Board.

**2.02 Change in Ownership.** In case of change in the ownership of a winery, the membership in the Association may be transferred to the new owner of the winery, provided it meets the qualifications of membership and the dues continue uninterrupted. Should a general member establish or acquire an additional winery as a separate entity, the separate entity must meet all qualifications of membership before being admitted as a member.

**2.03 Honorary Membership.** Honorary membership may be extended to any individual the Board determines to have significantly contributed to the benefit of the Kentucky wine industry and is deserving of honorary membership. Each honorary member shall have the right to participate in the transaction of business and membership meetings, but shall not be entitled to vote or to hold office. 4 Revised 12/31/2015

**2.04 Member Obligation to Follow Association Rules.** Each member of this Association agrees to be bound by these Bylaws and any amendments thereto, and by the lawful actions of the Board or voting members of the Association.

**2.05 Termination.** A membership shall be suspended or terminated whenever the Board, or a committee or person authorized by the Board, in good faith determines that any of the following events have occurred: (a) resignation of member; (b) failure of a member to pay dues, fees, or assessments in the amount and under the terms set by the Board; and (c) occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications. Membership dues and benefits are forfeited upon resignation, suspension or termination. Re-entry into membership will be voted by the Board.

**2.06 Discipline.** A member may be suspended or terminated for cause by the Board or its designee. Cause shall include a significant abuse of the authority conferred on a member or a failure, in serious degree, to observe the Association's rules of conduct as prescribed in these Bylaws or otherwise by the Board. The member shall be given a minimum 15-days prior written notice of the proposed discipline with the reasons. The notice shall also include the member's opportunity to be heard, orally or in writing, not less than five days before the effective date of the discipline by the Board or its designee. The Board or its designee shall determine whether cause exists and the appropriate discipline, if any. The Board is not required to follow the above procedure when imposing lesser discipline such as private reprimand.

**2.07 Member Liability.** No member of the Association shall be personally or otherwise liable for any of the debts or obligations of the Association.

## **ARTICLE 3**

### **Dues**

**3.01 Dues.** The members, both general and associate, and the Board, shall determine the amount that shall be paid as dues to the Association by each member. Honorary members shall pay no initial membership fee and shall pay dues equal or less than the amount set for general members.

**3.02 Delinquency.** Any member of the Association who is delinquent in dues, fees or assessments may be suspended or terminated as provided above.

## **ARTICLE 4**

### **Membership Meetings**

**4.01 Annual Membership Meeting.** The Association shall hold an annual meeting in January of each year of the general membership through their designated representatives at the place and on the date that the Board determines. At the annual meeting, the Board shall report the activities of the Association to the members, and other business shall be transacted as may be properly brought before the meeting. 5 Revised 12/31/2015

**4.02 Special Meetings.** The President, the Board or five percent (5%) or more of the members may call special meetings of the general membership. Special meetings shall be limited to the purpose for which they are called; no other business shall be conducted.

**4.03 Notice.** The Board must give Association members reasonable notice of all annual and special meetings. The notice shall include a description of the business to be discussed and shall be given at least 10 days (but not more than 90 days) before the meeting.

**4.04 Quorum, Voting.** A voting quorum is needed to act upon or make a decision as presented to the general membership for vote. Whenever a quorum is present, an act or decision made by the general membership is a valid act or decision. Forty (40%) of the membership acting in person or proxy constitutes a quorum. Proxy voting which conforms to the Kentucky Nonprofit Corporation Law is permitted at any meeting and shall count towards a quorum.

**4.05 Action Without a Meeting: Written Ballot.** Any action that may be taken at a meeting of the members may be taken by conforming to the mail balloting procedure specified in the Kentucky Nonprofit Corporation Law.

## **ARTICLE 5**

### **Board of Directors**

**5.01 Board of Directors.** The Board is the governing body of the Association. Subject to the limitations of the Articles of Incorporation, these Bylaws, and Kentucky law, the Board has authority to conduct the business and affairs of the Association and is responsible for the policy and direction of the Association.

**5.02 Eligibility and Number of Directors.** The Board shall consist of 7 Directors which may include the officers, each of whom shall be from a general member. The Board may act to secure a person or agency to perform organizational duties in support of the association as assigned by the Board.

**5.03 Election and Term of Office.** Directors shall be elected for a term of two years. A class of four Directors shall be elected for each odd numbered year, and a class of three Directors shall be elected for each even numbered year. No Director is eligible for reelection to the Board who has served for three consecutive terms unless the Director has been retired as a Director for at least two consecutive years thereafter. All Directors shall hold office until their respective successors are elected. Elections shall take place at the annual membership meeting.

**5.04 Vacancies.** If a vacancy occurs on the Board for any reason, the Board may name and vote someone to fill the remaining portion of the term.

**5.05 Meetings.** A meeting of Directors shall be held in January of each year for the purpose of organization, election of Officers and the transaction of other business. Other meetings

may be held after appropriate notice.

**5.06 Call of Meetings.** The President, Secretary/Treasurer or any two Directors may call meetings of the Board.

**5.07 Notice.** The Board may hold regular meetings without notice if the Board fixes the time and place of such meetings. The Board may hold special meetings upon four days notice by first class mail or 48 hours notice delivered personally or by telephone, email or facsimile.

**5.08 Quorum.** A majority of the members of the Board then in office shall constitute a quorum for the transaction of business.

**5.09 Conduct of Meetings.** The Board shall adopt a parliamentary authority for the conduct of its meetings.

**5.10 Meeting by Conference or Other Electronic Means.** Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communication equipment if all of the following apply: (1) each member can communicate with all of the other members concurrently; (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; (3) a means of verification is adopted and implemented by the corporation as to both of the following: (a) the person communicating by electronic means is entitled to participate in the Board meeting and (b) all statements, questions, actions, or votes were made by that person and not by another not entitled to participate.

**5.11 Action by Unanimous Written Consent Without a Meeting.** Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action in the manner specified in the Kentucky Nonprofit Corporation Law.

**5.12 Board Action.** Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board.

**5.13 Removal of Director.** The Board may declare vacant the position of a Director for cause as provided under the Kentucky Nonprofit Corporation Law. The general membership may remove a director without cause as provided under the Kentucky Nonprofit Corporation Law.

## **ARTICLE 6**

### **Officers**

**6.01 Officers.** The Officers of the Association shall be a President, Vice President and Secretary/Treasurer, and such other Officers as may from time to time be established by the Board.

**6.02 Selection and Term of Office.** Each Officer shall be selected by the Board from its own members. Each of the Officers shall hold office until the Officer resigns or is removed or otherwise disqualified or a successor elected and qualified. One person may hold more than one office. The Board may remove any Officer at any time, with or without cause; the Officer may resign at any time.

**6.03 Duties.** The Officers shall perform those duties that are usual to their positions and that the Board assigns to them. The President acts as presiding officer of the Board and the Secretary/Treasurer causes the minutes of meetings to be kept. In addition, the Board shall specify in current position descriptions, the authority, duties and responsibilities of each Officer.

**6.04 Vacancies.** If a vacancy occurs among the Officers, other than the President, for any reason, the Board may name and vote someone to fill the remaining portion of the term. 7  
Revised 12/31/2015

## **ARTICLE 7**

### **Committees**

**7.01 Committees.** The Board may create committees to which it may delegate various governance functions. At the time it creates a committee, the Board shall issue to the committee a specific mission statement with a definition of the scope of the committee's authority.

## **ARTICLE 8**

### **Indemnification and Insurance**

**8.01 Indemnification.** To the fullest extent permitted by law, the Association shall defend, indemnify and hold harmless any agent against any claim arising out of any alleged or actual action or inaction in the performance of duties performed in good faith on the Association's behalf. "Agent" for this purpose shall include representatives, Directors, Officers and employees.

**8.02 Insurance.** The Association may purchase and maintain insurance to the fullest extent permitted by law on behalf of its agents, to include the Association's obligation to indemnify the agents in the manner specified in the preceding paragraph.

## **ARTICLE 9**

### **Amendment of Bylaws and Dissolution**

**9.01 Amendment of Bylaws.** The Bylaws may be amended or repealed and new Bylaws adopted by the vote of two-thirds (2/3) of the members entitled to vote. The Board of Directors is not authorized to amend the Bylaws.

## **ARTICLE 10**

### **Interpretation**

**10.01 Interpretation.** These Bylaws constitute a written agreement between the Association and its members, Directors and Officers. The Bylaws should be interpreted in connection with the Kentucky Nonprofit Corporation Law which supplements and controls these Bylaws.

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