

CONSORTIUM MENDOCINO - CORO MENDOCINO BY-LAWS

(Last Amended: January 23rd, 2015)

I MISSION

The mission of the Consortium Mendocino is to increase the awareness and value of Mendocino wine and winegrape products through the production of “Coro Mendocino”, a controlled, ultra premium blended wine that reflects the quality and commitment of the Mendocino County wine industry.

II MEMBERSHIP

1. ELIGIBILITY, APPLICATION, RESIGNATION:

1.1 **Eligibility:** Voting Member - Any person, firm, partnership, corporation, engaged in commercial winemaking or winegrape growing in Mendocino County or that has designated a Mendocino County winery to produce wine on their behalf shall be eligible to be a Voting Member. If the Voting Member is not a person, then the Voting Member shall designate to the Consortium in writing the person who may vote for that Voting Member. Any changes must be approved in writing (or by return-receipt email) by the Consortium board.

1.2 **Application:** Any person or entity that wishes to be a member shall submit an Application for Membership to the Consortium Board. The applicant shall agree in writing to abide by the Articles of Incorporation and these By-Laws, which written agreement may be contained in the Application for Membership. Membership in the Coro consortium will exclusively be approved or declined by a Quorum of the Board.

1.3 **Resignation:** Any member may resign at any time, but in so resigning the member shall forfeit all right, share or interest in any of the property or assets of the Consortium and may not further use the Consortium or “Coro Mendocino” label, mark or reference on any products that are produced after the resignation.

2. **DUES:** Yearly dues will be set by the Consortium Board. The annual contribution shall consist of \$XXX and (X) cases of 750s and (X) case of magnums for the marketing library. The \$X is due in January of each year and the library wine is due by the end of June the year it is released. In January each participating winery must designate the voting person for that calendar year. Wineries failing

to pay their dues (either money or wine portion) in a timely fashion will not have labels printed nor be included in promotional activities until their account is brought current.

III BOARD OF DIRECTORS

1. BOARD COMPOSITION, ELECTION AND POWERS

1.1 Composition: The Board shall consist of 5 board seats. Three board seats will have functional responsibilities to chair committees from within the Voting Membership to agree and execute on an annual plan. The Board seats with functional committees shall be as follows:

1.1.1. Marketing Director: Chairs the marketing committee which sets an annual plan for the Consortium marketing effort, staffs events and set's the case contribution of each voting member.

1.1.2. Production/Winemaking Director: Chairs the winemaking/tasting committee and sees that the Coro production protocol is adhered to as well as any changes to the protocol.

1.1.3. Secretary/Treasurer Director: Chairs the controller and accounting function and sees to it that the Consortium operates to an agreed budget. The Secretary Treasurer will also see to it that meeting minutes are maintained and distributed to the Voting membership.

In addition, two Board seats shall have no committee responsibilities:

1.1.4. Consortium Winemaker

1.1.5. Independent Non-Executive Director: must be an independent Director from outside the Voting Membership.

1.2 Election and Term: The three-committee Board seats shall be Voting Members in good standing and elected by a simple majority of the Voting Members. The two other board seats will be appointed: the first will be an appointed member of the Coro Consortium. The second shall be an independent non-executive seat selected by the 4 other board members in a simple majority. The term of each of the three-committee board seats and the non-exec shall two years, but in rotation such that each year two board seats come up for election/appointment. There are no limits to the number of terms a board director may serve. In the event of an early resignation, the remaining Board directors are empowered to appoint an interim Director to serve out the term. To facilitate the electoral rotation, the initial terms shall be as follows:

1.2.1. Marketing Director:	1 year
1.2.2. Production/Winemaking Director:	2 years
1.2.3. Secretary/Treasurer Director:	3 years
1.2.4. Consortium Winemaker:	2 years

1.2.5. Independent Non-Executive Director: 2 years

1.3 Leadership: The board will elect an annual Chairman from within the five elected board seats. Such Chairman to be known as ‘Commander Coro’.

1.4 Voting and Quorum: The board shall arrive at decisions via a simple majority vote. A quorum is deemed to be any 4 of the 5 board seats present at a properly convened meeting.

1.5 Meetings: The board of Directors shall meet at least quarterly (with one meeting being the Annual Meeting of the Consortium Membership held during the first three months of each calendar year at a time and place to be determined by the Consortium.

1.6 Special Meetings: The Board is free to call further meetings of the Board as well as meetings of the Consortium as needed.

1.7 Audit Committee: The board shall elect a three-person Audit committee, one of whom shall always be the Independent Non Executive Director. The function of the committee shall be to assure that the consortium follows Generally Accepted Accounting Principles and conducts the consortium’s business in a clean and transparent manner.

1.8 Powers: The Board of Directors will be empowered by the Voting Members to conduct the business of the Consortium including but not limited to, the power to grant and remove membership in the Consortium.

IV MEMBERSHIP MEETINGS AND VOTING

1. ANNUAL MEETING: There shall be an Annual Meeting of the Consortium Membership held during the first three months of each calendar year at a time and place to be determined by the Board.

2. SPECIAL MEETINGS: Special meetings of the members of the Consortium may be called by the Consortium. Special meetings may also be called by the written request of a number of Consortium members, which would constitute a quorum of the Consortium membership. The MWA shall hereby be obligated to notify the Voting Members of the special meeting.

3. NOTICE, OFFICIAL ADDRESS, WAIVER OF NOTICE: Written Notice of all Meetings of Voting Members of the Consortium or any other Written Notice that may be required shall be mailed to each Voting Member at the Member’s

“Official Address”. Each member of the Consortium shall, by writing filed with the Consortium, designate a post office or street address and an email with ‘return-receipt-requested’ to which Notices of Meetings or other Notice shall be directed and mailed (the “Official Address”), and any Notice otherwise properly given, directed and mailed to+ such address shall be deemed to have been properly given. Such Notice must be mailed at least ten (10) days before the time fixed for each meeting by the Consortium. Actual attendance by any Voting Member at any Meeting of the Voting Membership shall constitute a complete waiver of Notice to that Member.

- 4. QUORUM, VOTING, PROXY:** At any meeting of the Voting Members of the Consortium a quorum for the transaction of business shall consist of a simple majority of the Voting Members of the Consortium except where specifically otherwise noted in the By-Laws. Each Voting Member shall be entitled to one vote at such Meetings. Voting may be exercised by a Voting Member (if a natural person) or by the Voting Member’s designated representative (if the Member is a partnership, corporation, or association). There shall be no proxies allowed wherein one person or entity votes for another. Cumulative voting by Members in any matter is prohibited.
- 5. VOTE BY MAIL:** Any item, which may be voted on at any Annual or Special Meeting of members, may be submitted to the Voting Members by the Consortium for a Vote by Mail. Notice of such a vote must be submitted to the members such that the Voting Members have at least 20 days to mail their ballot back to the Consortium after the ballot is mailed to the Voting Members. Such a ballot must include a clear statement of the resolution to be voted on. However, if after a Mail Vote has been started but not yet concluded, a Special Meeting of the Voting Members is called for the specific purpose of having a Meeting on the subject of the Mail Vote, or if the Consortium receives a proper Notice requesting a Special Meeting as provided for herein to deal with the subject of the Mail Vote, then the Mail Vote shall be void and the matter will be referred to the Special Meeting. However, if the Mail Vote has concluded, then the results of that Mail Vote shall be binding.
- 6. RECORD DATE FOR VOTING:** The record date for determining Voting Members entitled to receive Notice of or to Vote at a Meeting or in a Mail Vote shall be the end of the business day preceding the action of the Consortium in deciding to so Notify the Voting Members of such a Meeting or Mail Vote.

ARTICLE IV. PRODUCTION OF “CORO MENDOCINO” WINE

1. The production of “Coro Mendocino” shall be in accordance with the Production Protocol (Exhibit A) set forth by the Consortium and attached to these bylaws.

ARTICLE V MISCELLANEOUS

SECTION 1. AMENDMENT OF BY-LAWS: These By-Laws may be amended by any of the following methods:

- * A majority vote of the Voting Members at any proper Meeting of the Members at which a quorum is present;

- * A majority vote of all Voting Members in a proper Mail Vote of the Voting Members;

A majority vote at a Directors meeting at any proper Meeting of the Directors at which a quorum is present

SECTION 2. DISSOLUTION: An affirmative vote by more than 66% of both the bona fide Voting Members of the Consortium will cause the Consortium to wrap up its affairs and liquidate. This vote must be more than 66% of the total number of Voting Members, not merely a majority vote at a Meeting or in a Mail Vote.