

**BYLAWS
of the
WASHINGTON STATE CHEESEMAKERS ASSOCIATION**

ARTICLE I: INCORPORATION, NAME AND PURPOSE

Section 1. INCORPORATION AND NAME

This association has been incorporated as a Washington nonprofit corporation through the filing of Articles of Incorporation with the Secretary of State of Washington. The registered name of this association is Washington State Cheesemakers Association (hereinafter the “Association”). The date of the Association's incorporation is July 1, 2015.

Section 2. PURPOSE

(a.) The Association shall be conducted as a tax-exempt business league or trade association under Section 501(c)(6) of the federal Internal Revenue Code, as currently existing or hereafter amended or replaced. The Association's activities primarily shall be for the benefit of its members who are in the business of cheese making or related distribution, wholesale and retail activities. Specifically, the purposes of the Association include, but shall not necessarily be limited to:

- (i) Initiatives to increase public awareness and consumption of Washington State cheeses;
- (ii) Initiatives to improve the safety and quality of Washington State cheeses;
- (iii) Educational opportunities for members and the cheese-consuming public, such as initiatives intended to advance the practical and scientific knowledge of cheese making in Washington state;
- (iv) Development of ways to pool member resources for common expenses such as quality testing; and
- (v) Initiatives to represent the collective interests of members before governmental bodies and the media.

ARTICLE II: MEMBERSHIP

Section 1. QUALIFICATION FOR MEMBERSHIP

(a) Voting Membership: The Voting Membership of the Association shall be open to any business or individual that is duly licensed to produce cheese.

(b) Affiliate Membership: Affiliate members shall be individuals or entities involved indirectly with Washington cheese, such as chefs, wholesalers, distributors and retail stores. The Board may expand the category of affiliate member as it deems appropriate in order to benefit the Association. Affiliate members shall not have voting privileges, however if appointed to the board will have board voting privileges.

Section 2. MEMBERSHIP APPLICATION AND DUES

(a) Membership for all member categories shall be by application to the Association's Board of Directors on a form prescribed by the Board. The Board, by majority vote of the entire slate of directors, shall have sole authority to admit Members.

(b) The Board shall determine and review annually the annual dues for each category of membership. The Board may, for good cause shown and in its sole discretion, determine to waive dues for a Member.

Section 3. TERM OF MEMBERSHIP; RESIGNATION; REMOVAL

(a) A Member's membership in the Association shall expire when the Member's dues expire or are unpaid after thirty (30) days' notice.

(b) A Member may resign at any time, effective upon written notice to the Board. The dues of a resigning Member are not refundable unless the refund is approved by the Board.

(c) A Member whose actions clearly and directly conflict with the purposes of the Association as set forth in these Bylaws may be removed by a 2/3 majority vote of the entire slate of the Board of Directors.

ARTICLE III: MEMBERSHIP MEETING AND VOTING

Section 1. PLACE OF MEETINGS

Annual and special meetings of the Members shall be held at such place as may be designated by the Board of Directors. Members may participate in a meeting by conference telephone or similar communications equipment so that all persons participating in the meeting can hear each other at the same time, and participation by this method constitutes presence in person at the meeting.

Section 2. ANNUAL MEETINGS.

The annual meeting of the Members shall be held in the month of January of each year, on such date and at such time as may be prescribed by the Board of Directors and specified in the notice of the meeting. At the annual meeting, the members present at the meeting shall elect by vote the Board of Directors, consider reports of the affairs of the Association, and transact such other business as may properly be brought before the meeting.

Section 3. SPECIAL MEETINGS

Special meetings of the members may be called at any time by three (3) or more Directors, by delivering notice to the Members in accordance with Section 4 of this Article III.

Section 4. NOTICE OF MEETINGS

Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) calendar days before the date of the meeting, either personally, by fax, by electronic transmission such as e-mail, or by regular mail, by or at the directions of the Board, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting; provided, however, that notice to Members by electronic transmission is effective only with respect to Members who have consented in writing or by electronic transmission. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his, her or its address as it appears on the records of the Association, with postage thereon prepaid. When a meeting is adjourned without all business being consummated, notice of the follow-up meeting shall be given as for an original meeting.

Section 5. VOTING RIGHTS; QUORUM

The persons entitled to receive notice of and to vote at any Members' meeting shall be determined from the records of the Association on the date of delivery of the notice. The presence, in person or by electronic means or telephone, of at least ten percent (10%) of Voting Members of the Association, shall constitute a quorum for the purposes of conducting business at any annual or special meeting of members.

If a quorum is present, the majority vote of those Voting Members present at the meeting shall constitute the act of the membership. Each Voting Member shall have one equal vote.

Whenever proposals or directors are to be acted upon or elected by Members, the vote may be taken by mail or by electronic transmission if the text of each proposal and the name of each candidate to be voted upon are set forth in a record accompanying or contained in the notice of meeting. In the case of votes by electronic transmission, the notice shall designate the Association's electronic address to which the ballot may be electronically transmitted and a Member vote shall be valid if it is electronically transmitted to that address. Members voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

ARTICLE IV: DIRECTORS AND MANAGEMENT

Section 1. POWERS

The business and affairs of the Association shall be managed by a Board of Directors who shall exercise or direct the exercise of all corporate powers except to the extent member authorization is required by law, the Articles of Incorporation of the Association or these Bylaws. Without limiting the foregoing, the powers of the Board shall include the power to appoint standing and special committees and advisors.

Section 2. NUMBER

The Board of Directors shall consist of five (5) or seven (7) Directors, all of whom shall be Voting Members. Members of the Board shall be elected by the Voting membership meeting. The initial Board of Directors shall consist of five (5) members, who shall be:

1. Nik Lance
2. Rhonda Gothberg
3. Amy Rose Dubin
4. Russ Salvadalena
5. Bill Wavrin

The Board may appoint up to two (2) Appointed Board Members who may be affiliate or licensed cheesemaker members, and each of whom shall serve for a term determined by the Board. Appointed Board Members shall not be subject to election by the Voting Membership.

Section 3. ELECTION AND TERM OF OFFICE

Directors elected from the Voting Membership shall be nominated by a "Nominating Committee", appointed by the Board of Directors. The Nominating Committee shall consist of at least three (3) members, two (2) of whom shall be Voting Members, and one from the then-serving Board of Directors. The Directors shall then be elected by ballot at the annual meeting of the members. The Nominees receiving the most votes shall serve three-year terms. The term of office shall begin immediately after election. It is allowed for Directors to be elected to consecutive three-year terms.

Section 4. VACANCIES

(a) A vacancy in the Board of Directors shall exist upon the death, resignation, or removal of any directors. A Director shall be considered to have resigned if absent from three consecutive meetings without prior notice to the secretary.

(b) Vacancies in the Board of Directors may be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office for the balance of the unexpired term of the Director's predecessor and until a qualified successor is elected and accepts office.

(c) The Voting Members may at any time elect a Director to fill any vacancy not filled by the Board of Directors.

(d) If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 5. REMOVAL OF DIRECTORS

Any Director of the Association may be removed at any meeting of the Board by majority vote of the Directors, provided, however, that such proposed action is stated in the notice of the meeting

Section 6. MEETINGS

(a) Meetings of the Board of Directors shall be held at such place as may be designated from time to time by the Board of Directors. Board Members may participate in a meeting by conference telephone or similar communications equipment so that all persons participating in the meeting can hear each other at the same time, and participation by this method constitutes presence in person at the meeting.

(b) Annual meetings of the Board of Directors shall be held without notice immediately following the adjournment of the annual meetings of the members. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by any director.

Section 7. NOTICE OF SPECIAL MEETINGS

(a) Notice of the time of special meetings shall be given orally or personally delivered in writing, or by mail, email, or fax at least seventy-two (72) hours before the meeting. Notice mailed, emailed, or faxed shall be directed to the address, email address, or fax number shown in the corporate records, or to the Director's actual address ascertained by the person giving the notice.

(b) Attendance of the Directors shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. QUORUM AND VOTE

A majority of the Directors shall constitute a quorum for the transaction of business. A minority of the Directors, in the absence of a quorum, may adjourn from time to time but may not transact any other business. The action of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors and of the Association.

ARTICLE V: OFFICERS

Section 1. DESIGNATION, ELECTION AND QUALIFICATION

(a) The officers shall be a president, secretary, treasurer, and such vice presidents and other subordinate officers as the Board of Directors shall from time to time appoint, and except for the first such officers appointed under these Bylaws, all must have served as a Director for the Association for at least one (1) year prior to taking office. The officers shall be elected by,

and hold office at the pleasure of, the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary.

(b) A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by election of the Board of Directors.

Section 2. TERM OF OFFICE

(a) The term of office of all officers of the Association shall be fixed by the Board of Directors.

(b) Any officer may be removed, either with or without cause, by a majority vote of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided that the Board of Directors may reject any post-dated resignation by notice in writing to the resigning officer.

Section 3. PRESIDENT

The President shall preside at all meetings of the Board of Directors, shall be an ex-officio member of all committees, and shall perform such other duties as the Board of Directors may, from time to time, authorize.

Section 4. VICE PRESIDENT.

The Vice President shall perform the duties of the President in the latter's absence and such other duties as may be prescribed by the Board. If there is more than one Vice President the first to be appointed shall perform the duties of the President in the latter's absence.

Section 5. SECRETARY

The Secretary shall keep at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings showing the time and place of the meeting, whether it was regular or special, the notice given and the names of those present at the meetings. The Secretary shall also give such notice of the meetings of the Board of Directors as is required by these Bylaws.

Section 6. TREASURER

The Treasurer shall be responsible for the funds of the Association, and pay them out only on the check of the Association signed in the manner authorized by the Board of Directors. The Treasurer shall be responsible for maintaining accurate receipts and disbursements, disburse funds for the purpose of and in the amounts authorized by the Board of Directors, and ensure that the Association maintains compliance with Washington and federal statutes concerning raising and spending funds and reporting income and expenditures. The Treasurer shall provide an accurate quarterly report, and present it at the next occurring meeting of the Board, stating expenditures and income for the preceding quarter, as well as a profit and loss report for any special events held during that quarter.

ARTICLE VI: CONFLICT OF INTEREST

Section 1. PURPOSE

The purpose of the conflict of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director, or which might result in a possible excess benefit transaction. This policy is intended to supplement, and not to replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit organization like the Association.

Section 2. FINANCIAL INTEREST

A person has a financial interest if the person has, directly or indirectly, through business, investment or otherwise:

- (a) An ownership or investment interest in any entity with which the Association has a transaction or arrangement;
- (b) A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

The term, "compensation" as used herein, includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. In accordance with Section 3 of this Article, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. PROCEDURES

(a) **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and the members of any relevant committees with delegated powers from the Board that is considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

(c) **Procedures for Addressing the Conflict of Interest.**

(i) An interested person may make a presentation at the meeting of the Board or committee, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by majority vote of the disinterested Directors or committee members whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy: If the Board or committee has reasonable cause to believe a director or officer has failed to disclose actual or possible conflicts of interest, it shall inform the Director or officer of the basis for such belief and afford him or her the opportunity to explain the alleged failure to disclose. If, after hearing the Director or officer's response, and after making further investigation as may be warranted by the particular circumstances, the governing board or committee determines that the officer or Director has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board delegated powers shall contain:

(a) The names of the persons who have disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed;

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceeding.

Section 5. COMPENSATION

(a) A voting Director who receives compensation, directly or indirectly, from the Association, for services in any regard, is precluded from voting on matters pertaining to that Director's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, for services in any regard, is precluded from voting on matters pertaining to that member's compensation.

(c) A voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, shall not be prohibited from providing information to any committee regarding compensation.

Section 6. ANNUAL STATEMENTS

Each director, officer, and committee member shall annually sign a statement which affirms that such person has received a copy of the conflicts of interest policy; has read and understands the policy; has agreed to comply with the policy, and understands that the Association is a nonprofit organization, 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.

Section 7. PERIODIC REVIEWS

To ensure the Association operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VII: CORPORATE RECORDS AND REPORTS; INSPECTION

Section 1. RECORDS

The Association shall maintain adequate and correct books, records, and accounts of its business and properties. All of such books, records, and accounts shall be kept at its place of business as fixed by the Board of Directors from time to time, except as otherwise provided by law.

(a) WASCA's Organization Accounting Policy and Procedures

Washington State Cheesemakers Association shall follow GAAP and FASB procedures for management of the organization's finances. The Treasurer who manages and communicates the organization's financial status is required either through education, experience, or training to understand and meet these qualifications. Treasurer is also required to have experience filing IRS 990 forms for 501(C)6 organizations and State of Washington Annual Reporting requirements.

(b) Annual Budget and Monthly Balance Sheet

Monthly, the Treasurer shall audit and reconcile the checking account, QuickBooks system and prepare a Balance Sheet that is presented to the President and Executive Director. On a quarterly basis, the Board shall be presented the same reports.

On an annual basis, the Treasurer shall set the annual budget with the President and Executive Director, and present it to the Board for review and approval. At any time during the year a Board member may request a full financial review outside of the quarterly report.

(c) General Accounting Procedures

Washington State Cheesemakers Association utilizes Square for credit card payment of annual membership dues that are direct-deposited into the organization's Chase Bank account. This data shall be transferred into QuickBooks and the association Treasurer shall audit and reconcile the bank account and QuickBooks monthly. WASCA does not accept cash for membership dues.

Monthly, the reconciled report with supporting documentation shall be sent to the President and Executive Director. On a quarterly basis, the quarterly reconciliation shall be presented to the Board, but a Director at any time may ask for a financial review.

Section 2. INSPECTION OF BOOKS AND RECORDS

All books, records, and accounts of the Association shall be open to inspection by the Directors and Members at reasonable times in the manner and to the extent required by law.

Section 3. CERTIFICATION AND INSPECTION OF BYLAWS

The original or a copy of these Bylaws and any amendments thereto certified by the Secretary shall be open to inspection by the Directors and members in the manner and to the extent required by law.

Section 4. CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association shall be signed or endorsed by the Treasurer if the sum involved is \$500 or less, and signed or endorsed by the Treasurer and the President if the sum involved is greater than \$500; provided however, that this procedure may be modified as determined from time to time by resolution of the Board of Directors.

Section 5. EXECUTION OF DOCUMENTS

The Board of Directors may authorize any officer or agent to enter into any contract or execute any instruments in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

ARTICLE VIII: GENERAL PROVISIONS

Section 1. AMENDMENT OF BYLAWS AND ARTICLES OF INCORPORATION

(a) These Bylaws and the Articles of Incorporation may be amended upon the affirmative vote of a majority of the Voting Members.

(b) Whenever an amendment or new bylaw is adopted, it shall be copied in the minute book with these original Bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal and the date on which the repeal occurred shall be stated in such book and place.

Section 2. WAIVER OF NOTICE

Whenever any notice to any Director is required by law, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice. Appearance at any such meeting shall also serve as a waiver respecting the person appearing.

Section 3. INDEMNIFICATION

The Association shall indemnify Directors and Officers in the manner set forth in the Articles of Incorporation.

The undersigned Secretary of the Association certifies these Bylaws were adopted by the Board of Directors of the Association on the ____ day of _____, 2015.

Secretary