

BYLAWS
OF
CALIFORNIA AVOCADO COMMISSION

Article I.

NAME AND LOCATION

1. Name.

The name of this organization shall be the California Avocado Commission (hereinafter referred to as the Commission), a corporate body, organized under the provisions of Division 22, Chapter 5, beginning with Section 67001 of the Food and Agricultural Code.

2. Location.

The principal office of the Commission for its transaction of business shall be located within the State of California. The Commission is hereby granted full power and authority to change the specific location of the principal office within California and may establish other offices as it deems appropriate. Any change or establishment of other locations shall not be considered an amendment of these Bylaws.

3. Definitions.

All definitions contained in Article 2, Chapter 5 of Division 22 of the Food and Agricultural Code shall apply to these Bylaws.

Article II.

PURPOSES AND OBJECTIVES

1. Scope of Activity.

The Commission shall deal with the broad fields of advertising, promotion, production research, the collection and dissemination of crop volume and related statistics and marketing research. Commission activities may include, but not be limited to the following:

- a. Promote the sale of avocados through advertising and other promotional means for the purpose of maintaining and expanding present markets, and creating new and larger intrastate, interstate, and foreign markets for avocados.
- b. Enter into cost-sharing advertising with other products.
- c. Educate and instruct the wholesale, retail and foodservice trade with respect to proper methods of handling and selling avocados.
- d. Conduct scientific research including the study, analysis, dissemination and accumulation of information obtained from the research in respect to the inventory, marketing and distribution of avocados.
- e. Publish and distribute information regarding Commission activities to producers, handlers and the public.
- f. Present facts to, and negotiate with, public and private agencies on matters which affect the marketing of avocados.
- g. Educate and instruct the public with respect to the healthful properties and nutritional value of avocados.
- h. Do any and all things necessary, legal and proper to accomplish the purposes and objectives of the Commission as provided in these Bylaws and in law.
- i. Whenever appropriate and within statutory authority, assist the avocado industry in the coordination of its many and varied activities.

Article III.

MEETINGS OF COMMISSION

1. Regular Meetings.

Meetings of the Commission shall be held upon the direction of the Chairperson at locations designated by the Chairperson. The Commission shall meet at least four (4) times each year for the purposes of conducting its regular business.

2. Special Meetings.

The Chairperson, or a majority of the Commission, after notifying the Chairperson, may call other meetings of the Commission as may be deemed necessary.

3. Notice of Meetings.

- a. Notice of all regular meetings shall state the place, date, and time of the meeting, and the matters of business which the Commission intends to transact. Notice shall be mailed, or sent via facsimile or e-mail, to each member and alternate member of the Commission, and any other person who requests notice in writing, at least ten (10) days prior to the time of the meeting. Notice shall be deemed delivered when deposited in the United States mail, postage prepaid, or when confirmed via facsimile or e-mail, addressed to the person at the address as it appears on the records of the Commission at the time of mailing. A closed session of the Commission as provided for in Section 7 of this Article may be held only if the closed session is referenced in the meeting notice as herein provided.
- b. Notice of special meetings shall state the place, date, and time of the meeting. The business to be transacted shall also be stated in the notice and no other

business may be considered at the meeting. The notice shall be delivered in the time and manner specified in subsection a.

4. Order of Business.

The regular order of business of the Commission meetings, unless otherwise determined by the Chairperson, shall be as follows: (1) roll call; (2) opportunity for public comment; (3) approval of minutes of previous meeting; and (4) action on matters on written agenda.

5. Attendance.

Any member or alternate who misses three (3) consecutive meetings or four (4) total meetings in a marketing season for any reason automatically loses his or her seat on the Commission unless the Board expressly waives this provision by majority vote¹. Any vacancy created by this Section 5 shall be filled in accordance with Section 67053 of Commission law and the Commission's election procedures.

6. Quorum and Voting.

A quorum of the Commission shall be eleven (11) members if the Commission consists of three or five districts or ten (10) members if the Commission consists of four districts. Except as provided in these Bylaws or in law, the vote of a majority of the members present at a meeting at which there is a quorum shall constitute the act of the Commission. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members if any action taken is approved by at least a majority of the required quorum for the meeting.

¹ The Board's waiver of the automatic removal provision can be based on an excuse acceptable to the Board or any other justification deemed appropriate by the Board.

All votes shall be cast in person. There shall be no proxy voting.

7. Closed Sessions of the Commission.

If properly noticed as provided for in Section 3 of this Article, the Commission may enter into closed session during a regular or special meeting in accordance with the provisions of the Bagley-Keene Open Meeting Act (Government Code Section 11126). Examples of permissible reasons for a closed session include the appointment, employment, evaluation of performance, or dismissal of a Commission employee, or to confer with or receive advice from legal counsel regarding pending litigation.

Any action taken by the Commission in closed session shall be announced upon reconvening a regular or special meeting and made a part of the minutes. A record of topics discussed and any resulting decisions shall be made by the Commission and kept confidential and not disclosed except as required by law.

8. Parliamentary Authority.

Roberts Rules of Order, as may be amended from time to time, shall govern meetings of the Commission.

Article IV.

COMMITTEES

1. Committees; Appointments.

- a. The Commission shall establish committees as deemed necessary to carry out the purposes and objectives of the Commission. Standing committees shall include, but not be limited to the following:
 - (1) Executive Committee
 - (2) Marketing Committee
 - (3) Production Research Committee
 - (4) Finance Committee
- b. The Chairperson of the Commission shall appoint all committee chairpersons and shall appoint all members of each committee after consultation with the committee Chairperson affected. Appointments are subject to approval by the Commission and may be changed from time to time as determined by the Chairperson and concurred in by the Commission.
- c. No member shall serve as Chairperson of more than one (1) standing committee.
- d. The Chairperson of the Commission may appoint committee members from among the Commission members and alternates, and from the industry in general.
- e. All committees of the Commission shall decide the rules and procedures under which they will conduct their activities, except as may be provided in these Bylaws or in law, and subject to the approval or ratification by the Commission. Unless otherwise specified, the Commission shall be the final authority on all

programs, projects, activities, and policies adopted by any committee of the Commission.

2. Executive Committee.

The Executive Committee shall include, but not be limited to, the Chairperson, Vice-Chairperson, Secretary, and Treasurer of the Commission. The Chairperson of the Commission shall serve as Chairperson of the Executive Committee. The committee shall specifically handle claims, grievances and personnel matters; review and recommend the budget to the Commission; and monitor the overall administration of the Commission. The committee shall work directly with the President of the Commission in formulating long range and annual plans and executing programs and activities authorized by the Commission.

The committee may act on behalf of the Commission under circumstances where action is of an urgent nature and necessary prior to the next meeting of the Commission. Such action shall not result in expenditures in excess of \$25,000.00 and shall be reported to the Commission at the next meeting of the Commission. The report shall specify the need for the action; the action taken, any expenditure involved; and the results of the action.

3. Marketing Committee.

The Marketing Committee shall advise Commission personnel, Commission committees and others on avocado packing, handling, distribution and marketing issues impacting on the Commission. These issues may include input regarding wholesalers, distributors, retailers, exporters, and foodservice operators. Additionally, the committee shall provide input on trade advertising and publicity programs, foodservice programs and foreign export. The committee shall also provide input to the Commission personnel concerning the annual crop estimate. The Marketing Committee shall consist of a minimum of four (4) members, each of which represent

a separate AMRIC Handler. The Marketing Committee shall select one member of the committee who shall serve as a non-voting ex-officio member of the Commission.

4. Production Research Committee.

The Production Research Committee will assist Commission personnel in the prioritization of research needs and the solicitation, selection, and timely execution of funded research projects. The Committee will advise Commission personnel in the disbursement of budgeted research funds to researchers and research institutions. The Committee will assist in the timely dissemination of relevant research results from the production research program and other sources that could improve production and post harvest practices and increase profitability for avocado growers.

5. Finance Committee

The Finance Committee shall establish procedures for the disbursement of Commission funds, including procedures for the acquisition of property, the signing of checks, purchase orders, review of travel and expense reports and credit card statements and other similar matters. The Committee shall also recommend to the Board the annual budget, reserve and cash-flow requirements; recommend investment programs for Commission funds; and oversees the preparation of financial reports which shall be made available to the Commission on a periodic basis. The Treasurer of the Commission shall serve as chairperson of the Finance Committee. The independent auditor of the Commission shall report to the Committee.

6. Special Committees.

From time to time, special committees may be established by the Chairperson or by the Commission for the investigation, study or review of specific matters as are deemed necessary.

Special committees shall limit their activities to the accomplishment of the purpose for which they were created and terminate upon completion of the purpose.

The Chairperson of the Commission shall appoint committee members in the manner provided for in Section I of this Article, except that the Chairperson of any special committee who is not a Commission member or alternate shall have all rights, powers and duties of any other committee member, including voting privileges, unless otherwise provided in these Bylaws or in law.

7. Notice.

Notice of committee meetings shall be given in the same manner provided in Section 3.a. of Article III of these Bylaws. Notice may be waived by any committee member, either before or after the meeting, through written or verbal waiver of notice or by attendance at the meeting. All waivers shall be made a part of committee records.

8. Quorum.

Except as otherwise provided in these Bylaws, a majority of the committee shall constitute a quorum and the acts of a majority of the members present at a meeting at which a quorum is present shall constitute the acts of the committee. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of members if any action taken is approved by at least a majority of the required quorum for the meeting.

9. Closed Sessions of Committees.

Committees of the Commission may enter into closed session only in accordance with the provisions of the Bagley-Keene Open Meeting Act (Government Code Section 11126). Examples of permissible reasons for a closed session include discussion relating to the

appointment, employment, evaluation of performance, or dismissal of a Commission employee, or to confer with or receive advice from legal counsel regarding pending litigation. Any recommendations resulting from a closed session shall be transmitted to the Commission for consideration. A record of topics discussed and any resulting recommendations shall be made by the committee and kept confidential and not disclosed except when required by law.

Article V.

MEMBERS AND ALTERNATES

1. Composition.

As defined in law, the Commission shall be composed of no fewer than eight (8) and no more than ten (10) producer members who do not handle avocados through the same legal entity under which they were elected as a producer member of the Commission, two (2) handler members and one (1) public member. The public member shall be selected in accordance with Section 5 of this Article.

a. Composition of producer members shall be as follows:

- (1) If the Commission consists of three (3) districts, nine (9) producer members, three (3) elected from each district.
- (2) If the Commission consists of four (4) districts, eight (8) producer members, two (2) elected from each district.
- (3) If the Commission consists of five (5) districts, ten (10) producer members, two (2) elected from each district.

2. Ex-Officio Members.

- a. The Secretary of Food and Agriculture or his or her representative shall be notified of and may attend each meeting of the Commission and any committee meeting of the Commission.
- b. Other appropriate individuals, as determined by the Commission, may serve as ex-officio members.

3. Alternate Producer Members.

One (1) alternate producer member from each district shall be elected in the same manner as the producer members. An alternate producer member may serve in place of any absent producer member in the alternate's district. An alternate producer member shall have, and be able to exercise, all the rights, privileges, and powers of the producer member when sitting on the Commission.

4. Alternate Handler Members.

One (1) alternate handler member shall be elected in the same manner as the handler members. The alternate handler member shall serve as the alternate to the two handler members. An alternate handler member may serve in place of any of the absent handler members. An alternate handler member shall have, and be able to exercise, all the rights, privileges, and powers of the handler member when sitting on the Commission.

5. Public Member.

The public member shall be appointed to the Commission by the Secretary of Food and Agriculture from a nominee recommended by the Commission. If the Secretary does not appoint the person nominated by the Commission to serve as the public member, the Commission shall nominate a different person to serve in this capacity and will repeat the process until a nominee of the Commission is approved by the Secretary and appointed to the Commission.

6. Financial Interests.

- a. Producer members and their alternates shall have a financial interest in producing avocados for market and shall meet and maintain the qualifications outlined in the Commission's Election Procedures.

- b. Handler members and their alternates shall have a financial interest in handling avocados for market and shall meet and maintain the qualifications outlined in the Commission's election procedures.
- c. The public member and alternate shall not have any financial interest in the avocado industry and shall meet and maintain the qualifications outlined in the Commission's election procedures.

Article VI.

OFFICERS AND DUTIES

1. Officers.

The Commission shall elect a Chairperson, Vice-Chairperson, Secretary and Treasurer (or Secretary/Treasurer) from among its producer members, and delegate to the officers duties as determined by the Commission. Alternate members shall not be eligible to be elected as officers of the Commission.

2. Term of Office.

The officers elected by the Commission shall serve one (1) year terms or until new officers are elected. Officers may be re-elected annually to the office held or to any other office of the Commission but shall not serve for more than three (3) consecutive terms in any one (1) office.

3. Chairperson.

The Chairperson shall preside at all meetings of the Commission. He or she may sign on behalf of the Commission any contract or other instrument, the execution of which has been authorized by the Commission, except where the signing and execution thereof has been otherwise expressly reserved or delegated by the Commission to itself or some other office, member or employee. The Chairperson shall appoint the members of all committees subject to approval of the Commission as provided for in Article IV, Section I; serve as a nonvoting ex-officio member of all committees; and perform all other duties provided in these Bylaws or in law.

4. Vice-Chairperson.

The Vice-Chairperson shall act as and perform all the duties of the Chairperson in the Chairperson's absence. He or she shall perform additional duties as may be assigned by the Chairperson or the Commission. If the Chairperson becomes disqualified for any reason, the Vice-Chairperson shall serve as acting Chairperson until the Commission elects a new Chairperson.

5. Secretary.

The Secretary shall maintain accurate records of all committee and Commission meetings and perform other duties as usually pertain to the office. The Secretary may delegate any and all duties of the office to the President of the Commission whenever, in his or her judgment, the action is necessary for the handling of the business affairs of the Commission in a timely manner.

6. Treasurer.

The Treasurer shall serve as Chairperson of the Finance Committee. The Treasurer oversees the reporting of the financial reports to the Commission and may delegate any and all duties of the office to the President of the Commission whenever, in his or her judgment, the action is necessary for the handling of the financial affairs of the Commission in a timely manner. The Treasurer retains oversight over all financial policies, and must report to the Board of Directors on the financial position of the Commission. The Treasurer shall work in conjunction with the President and other Commission personnel to ensure that all financial records and dealings of the Commission are in order at all times. The Treasurer shall have full and unrestricted access to all financial records of the Commission. There will be an annual audit conducted by an outside auditing firm which will be completed no later than 90 days after the end of the fiscal year and presented to the Commission within 30 days after issuance of the final audited financial statements.

Article VII.

EMPLOYEES AND THEIR DUTIES

1. President.

The Commission shall employ a person, who shall not be a member of the Commission, to serve as President and Chief Executive Officer. The performance of the President, who shall serve at the pleasure of the Commission, shall be evaluated by October by the Executive Committee of the Commission. The Committee shall prepare a written review for inclusion in the President's personnel file and the Chairman shall give a verbal report to the Commissioners at the October Board meeting. Compensation of the President shall be fixed by the Commission and shall be reviewed annually.

The President shall:

- a. Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.
- b. Employ, establish appropriate titles, fix salaries within approved budgetary guidelines, supervise, and when necessary discharge any of the employees of the Commission.
- c. Serve as a non-voting ex-officio member of the Commission and all committees of the Commission.
- d. Strictly adhere to and carry out all rules and procedures adopted by the Commission as provided for in these Bylaws and in law.
- e. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.

- f. Provide any and all assistance, counsel, and advice to the Commission and committees of the Commission that may be necessary for the proper execution of Commission responsibilities and duties.

Article VIII.

RULES AND PROCEDURES

1. Powers and Duties.

The Commission, by majority vote, is authorized to adopt and modify from time to time, all proper and necessary rules, procedures and orders for carrying out the purposes and objectives of the Commission. The rules and procedures shall include, but are not limited to the following:

- a. Establish nomination and election procedures for persons to be elected to the Commission which shall be concurred in by the Secretary of Food and Agriculture.
- b. Establish procedures for the purpose of addressing any claims against the Commission or its members and alternates, and for the purpose of according individuals aggrieved by the actions or determinations of the Commission an informal hearing before the Commission, or before a committee of the Commission designated for the purpose.
- c. Establish not later than November 1 of each year, the assessment for the following twelve (12) months.
- d. Establish a procedure for the collection and handling of assessments, including the preparation of assessment collection forms which fully inform handlers of their obligation to deduct assessments from amounts paid to producers and the penalties and interest involved in failure to pay assessments in the time and manner prescribed by the Commission.
- e. Establish an affidavit form to be filed with the Commission by any person requesting an exemption from the assessments required by the Commission.

- f. Establish a rate of compensation for all Commission members and alternates, except ex-officio government members, and for non-members of the Commission who serve on committees of the Commission. Compensation shall not exceed one hundred dollars (\$100.00) per day for each day spent in actual attendance at, or in traveling to and from meetings of the Commission or committees of the Commission or while on special assignment for the Commission. The rate of compensation shall also make provision for necessary traveling expenses and meal and lodging allowances.
- g. Establish procedures for the collection and dissemination of market price information based on sales which have occurred. Any such procedures shall ensure the confidentiality of the identity of handlers reporting the information and information reported.

Article IX.

LIABILITY

1. Restraint of Trade.

No action taken by the Commission or by an individual in accordance with the rules and procedures adopted by the Commission shall be deemed a violation of the Cartwright Act, the Fair Trade Act, the Unfair Practices Act, or any statutory or common law against monopolies or combinations in restraint of trade.

2. Payment of Claims.

Payment of all claims arising by reason of administration of the Commission or the acts of the Commission shall be limited to the funds collected by the Commission.

3. Liability of Individuals.

- a. No member or alternate member of the Commission or any employee or agent thereof, shall be personally liable for the contracts of the Commission or responsible individually in any way to any producer, any handler or any other person for error in judgment, mistake, or other acts, either of commission or omission, except for the person's individual acts of dishonesty or crime. No member or alternate member shall be held responsible individually for any act or omission of any other member or alternate member of the Commission.
- b. The liability of the members and alternate members shall be several and not joint, and no member or alternate member shall be liable for the default of any other member or alternate member.

Article X.

AMENDMENTS

1. Power to Amend.

The Bylaws of the Commission may be amended, repealed, or added to, or new Bylaws may be adopted by a two-thirds vote of those members voting (excluding abstentions) so long as a quorum is present