

BYLAWS
OF
CALIFORNIA APPLE COMMISSION

Article I

GENERAL PROVISIONS

1. Name.

The name of this organization shall be the California Apple Commission (hereinafter referred to as the Commission). A corporate body, organized under the provisions of Division 22, Chapter 13.5, beginning with §75501 of the Food and Agricultural Code.

2. Location.

The principal office of the Commission for its transaction of business shall be located at Fresno County, California. The Commission has full power and authority to change the location of the principal office and may establish such other offices as it deems appropriate. Any such change or establishment of other location shall not be considered an amendment of these Bylaws.

3. Definitions.

All definitions contained in Article 2, Chapter 13.5 of Division 22 of the Food and Agricultural Code shall apply to these Bylaws.

4. Purpose.

The Commission shall deal with the broad fields of advertising, promotion, marketing research, and production research of apples and any other activity authorized by Chapter 13.5 of Division 22 of the Food and Agricultural Code.

Article II

POWERS AND DUTIES

1. Scope.

The powers and duties of the Commission shall include, but are not limited to, all of the following:

a. The Commission may adopt, amend, and repeal regulations and operating procedures necessary to carry out objectives of the Commission, including regulations governing appeals from actions taken by the Commission pursuant to any of its regulations or operating procedures.

b. The Commission may appoint its own officers, including a Chairperson, one or more Vice-Chairpersons and other offices as it deems necessary. The officers shall have the powers and duties delegated to them by the Commission.

c. The Commission may employ a person to serve as president of the Commission, and other personnel, including legal counsel, necessary to carry out the objectives of the Commission. The Commission may retain a management firm or the staff

from any board, commission, or agency of the state or federal government to perform the functions prescribed by this section under the control of the Commission.

d. The Commission may fix the compensation for all employees of the Commission.

e. The Commission may appoint committees composed of both members and nonmembers of the Commission to advise the Commission in carrying out its powers and duties.

f. The Commission may establish offices and incur expenses, enter into any and all contracts and agreements, create liabilities, borrow funds in advance of receipt of assessments, and repay producers for costs incurred during the initial formation of the Commission, as may be necessary, in the opinion of the Commission, for the proper administration and enforcement of Commission law and performance of its duties.

g. The Commission shall keep accurate books, records, and accounts of all its dealings that shall be subject to an annual audit by an auditing firm selected by the Commission with the concurrence of the Secretary. A summary of the audit shall be reported to all producers and a copy of the summary shall also be submitted to the Secretary of Food and Agriculture ("Secretary"). In addition, the Secretary as he or she determines necessary, may conduct, or cause to be conducted, a fiscal and compliance audit of the Commission.

h. The Commission may present facts to, and negotiate with, state, federal, and foreign agencies on matters which affect the Commission.

i. The Commission may make, in its name, contracts to receive or render services in formulating and conducting the plans and programs and any other contracts or agreements that the Commission deems necessary for carrying out its purposes.

j. The Commission may conduct, and contract with others to conduct, production research, including the study, analysis, accumulation, and dissemination of information obtained from that research or otherwise regarding the operation of the

Commission.

k. The Commission may accept contributions of private, state, or federal funds, and make contributions of funds to other persons or state or federal agencies.

l. The Commission may promote the sale of apples by advertising and other promotional means, including cost-sharing advertising, for the purpose of maintaining and expanding present markets and creating new and larger intrastate, interstate, and foreign markets for apples, and to educate and instruct the public with respect to the uses, healthful properties, and nutritional value of apples.

m. The Commission may collect information, and publish and distribute without charge, bulletins and other communications for dissemination of information.

n. The Commission may establish an annual assessment rate to defray the operating costs of the Commission.

o. The Commission shall adopt an annual budget according to accepted practices. The Secretary shall concur in the adoption of the budget prior to the encumbrance of funds, except for encumbrances necessary to pay the compensation of employees of the Commission.

p. The Commission shall annually prepare and submit to the Secretary, for his or her concurrence, a statement of contemplated activities authorized pursuant to Commission law.

Article III

MEETING OF COMMISSION

1. Regular Meetings.

Meetings of the Commission shall be held upon the direction of the Chairperson at such location as is designated by the Chairperson. The Commission shall

meet at least three (3) times each year for the purposes of conducting its regular business.

2. Special Meetings.

The Chairperson, President 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. The Commission shall provide notice of regular and special meetings to any person who requests such notice in writing. Notice shall be given at least ten (10) days in advance of the meeting, and shall include the name, address, and telephone number of any person who can provide further information prior to the meeting. The notice requirement shall not preclude the acceptance of testimony at meetings from members of the public, provided, however, that no action is taken by the Commission at the same meeting on matters brought before the body by members of the public.

b. The notice of all regular and special meetings shall include a specific agenda for the meeting, including the items of business to be transacted or discussed, and no items shall be added to the agenda subsequent to the provision of this notice.

4. Order of Business.

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

5. Attendance.

Any member of the Commission, including an alternate member, who fails to attend three (3) consecutive regular or special meetings of the Commission without a justifiable excuse shall be deemed to have been disqualified, unless the Commission, by

majority vote, expressly waives implementation of this provision. The vacancy created shall be filled by an alternate member of the Commission, who shall act as a member on the Commission until a successor is qualified and elected by a majority vote of the Commission.

6. Quorum and Voting.

A quorum of the Commission is a majority of the voting members. Except as otherwise 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.

All votes shall be cast in person.

There shall be no proxy voting.

7. Closed Sessions of the Commission.

Closed sessions of the Commission shall only be held for the limited purposes provided in the Bagley-Keene Open Meeting Act (Government Code Sections 11120 et seq.).

8. Rules of Order.

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 for carrying out the purposes and objectives of the Commission. Any addition or deletion of committees or changes in names of committees shall not be considered an amendment of the

Bylaws. Committees shall include, but not be limited to, the following:

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|---------------|---------------|
| (1) Executive | (4) Education |
| (2) Finance | (5) Export |
| (3) Research | |

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 in accordance with procedures adopted by the Commission. 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. Only Commission members and alternates may serve as chairpersons of standing committees, and no individual shall serve as chairperson of more than one (1) committee.

Committee Chairpersons shall serve for one year terms. There shall be no limit on the number of terms a committee chairperson may serve.

d. Committee members may be appointed from among the Commission members and alternates, and from the industry in general.

e. All committees of the Commission shall decide the rules and regulations 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 recommended by any committee of the Commission.

2. Executive Committee.

The Executive Committee shall consist of the Chairperson, Vice-Chairperson,

Secretary/Treasurer, Chairperson of the Research Committee, Chairperson of the Education Committee and Chairperson of the Export Committee. The Chairperson of the Commission shall serve as Chairperson of the Executive Committee. The committee shall formulate policy relating to the Commission's purposes and objectives; immediate and long term planning; financial management; personnel matters; and overall administration of the Commission. The Committee shall work directly with the President of the Commission in formulating and carrying out programs and activities authorized by the Commission.

The committee or Chairperson 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 an amount set by the Commission at a regular meeting and shall be reported to the Commission at the next meeting of the Commission.

3. Finance Committee.

The Finance Committee shall establish detailed and specific procedures for the disbursement of Commission funds, including procedures for the acquisition of property, the signing of checks, purchase orders and other similar matters. The Committee shall also formulate an annual budget, reserve and cash-flow requirements; recommend the annual assessment rate; recommend investment programs for Commission funds; supervise the preparation of financial reports which shall be made available to the Commission on a periodic basis; and do all things necessary and proper to insure accurate financial records. The Committee shall also exercise fiscal oversight of personnel and administrative operations of the Commission. The Secretary/Treasury of the Commission shall serve as chairperson of the Budget Committee.

4. Research Committee.

The Research Committee shall evaluate production research projects, and review and recommend budgets for the projects to the Commission. Research may include projects

relating to soil, plant cultivation, harvesting, storage, and packing of apples. The Committee shall also monitor the activities of any approved research project, the timely reporting of research information and proper expenditure of budgeted research funds.

5. Education Committee.

The Education Committee shall recommend to the Commission and develop proposals for promotion, education, advertising, public relations and marketing research to promote the industry and the sale of apples. The Committee shall also monitor the activities of any approved program, document the results of marketing activities, and monitor marketing conditions and the proper expenditure of budgeted marketing funds.

6. Export Committee.

The Export Committee shall recommend to the Commission and develop strategies for the maintenance of existing international markets and the development of new international markets for the sale of apples. Committee activities may include receiving information and making recommendations to the Commission on international trade issues. The Committee shall monitor the activities of any approved program, document the results of marketing activities, and monitor marketing conditions and the proper expenditure of funds budgeted for export market development.

7. Other Committees.

From time to time, other special or standing committees may be established by the Chairperson, or by the Commission, as deemed necessary to carry out the purposes and objectives of the Commission. Unless otherwise specified, the Chairperson of the Commission shall appoint committee members in the manner provided for in Section 1 of this Article. Any person appointed to a committee who is not a Commission member or alternate member shall have all rights, powers and duties of any other committee member,

including voting privileges, unless otherwise provided in these Bylaws or in law.

8. Notice.

Notice of all committee meetings shall be given in the manner provided for in Article III, Section 4 of these Bylaws.

9. Quorum.

Except as otherwise provided in these Bylaws, a majority of current committee members 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.

10. Closed Session.

Closed sessions of a committee shall only be held for the limited purposes provided for in the Bagley-Keene Open Meeting Act (Government Code Sections 11120 et seq.). A record of topics discussed and any resulting recommendations shall be made by the committee to the full Commission at the next regularly scheduled or specially called meeting of the Commission.

Article V

MEMBERS AND ALTERNATES

1. Composition.

As defined in law, the Commission shall consist of twelve (12) producer and handler members, and one (1) public member. Eligible persons from within the respective districts shall elect three (3) producers and one (1) handler from District 1, three (3) producers and one (1) handler from District 2, and three (3) producers and one (1) handler from District 3.

The Commission may modify the number of producers who serve on the Commission to no less than six (6) members and no more than fifteen (15) members, and may modify the number of producers elected from each district. There shall be three handlers on the Commission, one from each district.

2. Secretary of Food and Agriculture.

The Secretary or his representative shall be notified and may attend each meeting of the Commission and any committee meeting of the Commission. However, the Secretary shall not be entitled to attend a closed session of the Commission called for the purpose of discussing potential or actual litigation against the Department of Food and Agriculture.

3. Producer Members.

Any producer member shall be a producer or an employee representing a producer who has a financial interest in producing, or causing to be produced, apples for market. Qualifications of producer members shall be maintained during their entire term of office.

4. Handler Members.

Any handler member, or employee representing that person, shall have a financial interest in marketing or packaging apples for market. Qualifications of handler members shall be maintained during their entire term of office.

5. Alternate Members.

Three alternate members, one (1) from each district, shall be selected pursuant to procedures adopted by the Commission. Any alternate member may serve in place of any

absent member on the Commission in the alternate's district and shall have all of the rights, privileges, and powers of the member when serving on the Commission. In the event of the death, removal, resignation, or disqualification of a member, the alternate member shall act as a member of the Commission until a qualified successor is elected.

6. Public Member.

The public member and alternate on the Commission, if appointed, shall have all of the powers, rights, and privileges of any other member or alternate member, respectively, on the Commission. The public member and alternate, if appointed, shall not have any financial interest in the apple industry.

7. Term of Office.

The term of office of each member, except ex officio members, is four (4) years, commencing with the beginning of the following marketing year and until a qualified successor is elected or appointed, unless the term is earlier terminated pursuant to the law or procedures established by the Commission.

The terms of office of each member shall be limited to four (4) consecutive terms. The term of office for each alternate member of the Commission is one year. There shall be no limit on the number of terms an alternate member may serve.

Article VI

OFFICERS AND DUTIES

1. Officers.

The Commission may elect a Chairperson, one or more Vice-Chairpersons, and a Secretary/Treasurer from among its 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. Elections for officers will be held at the first meeting following the annual election of members and alternates.

2. Term of Office.

Officers elected by the Commission shall serve a one (1) year term, or until new officers are elected.

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 officer, member or employee. The Chairperson shall appoint the members of all committees subject to approval of the Commission as provided for in these Bylaws; serve as a non-voting ex-officio member of all committees; and perform all other duties provided for 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 of the Commission. If the Chairperson becomes disqualified or is unable to continue as Chairperson for any reason, the Vice-Chairperson shall serve as Chairperson until the expiration of the original Chairperson's term of office.

5. Secretary/Treasurer.

The Secretary/Treasurer shall maintain or cause to be maintained accurate records of all Commission and committee meetings and perform other duties as usually pertain to the office. The Secretary/Treasurer 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.

The Secretary/Treasurer shall serve as Chairperson of the Finance Committee and shall be in general charge of the financial affairs of the Commission. The Secretary/Treasurer shall submit 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 Secretary/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.

Article VII

EMPLOYEES AND THEIR DUTIES

1. President.

The Commission shall employ or retain a person, who shall not be a member of the Commission, to serve as President. The President shall be an at-will employee who shall serve at the pleasure of the Commission. Compensation for 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 as authorized by the Commission, 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.

a. Strictly adhere to and carry out all rules and regulations adopted by the Commission as provided for in these Bylaws and in law.

b. 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.

c. 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 the Commission responsibilities and duties.

d. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.

2. Other Personnel.

The Commission may employ or retain, at its pleasure, other personnel, including legal counsel, necessary to carry out the purposes of the Commission. As an alternative to an employee President, the Commission may retain a management firm or the staff from any board, commission, or committee of the State to perform the functions prescribed by these Bylaws and the law.

Article VIII
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 the Commission.

Article IX
ADOPTION

1. Effective Date.

The Bylaws prescribed herein shall become effective upon adoption by the vote of a majority of the Commission.