

**BYLAWS**  
**OF**  
**SPECIALTY CROP TRADE COUNCIL**

**ARTICLE I.**

General Provisions

Section 1.01. Name. The name of this corporation is Specialty Crop Trade Council, hereafter referred to in these bylaws as "SCTC" or the "Association").

Section 1.02. Principal Office. The principal office for the transaction of business of the Association shall be located in the county of Fresno, State of California. The Board of Directors ("Board") shall have the authority to change the location of the principal office so long as the principal office remains in the State of California. The principal office of the Association may be moved outside of California only upon approval of the regular members. The Association may also have offices at such other places within or without the State of California where it is qualified to do business, as its business may require and as the Board may from time to time designate.

Section 1.03. Purpose. The Association is a nonprofit mutual benefit corporation organized under California law for the purpose of promoting export trade under the provisions of the Webb-Pomerene Act, U.S. Code, Title 15, Sections 61-65. The Association is formed for the purpose of engaging in any lawful act or activity for which a nonprofit corporation may be organized under the law, including but not limited to the following:

1. Providing a forum for exporters of dried fruit and tree nuts to gather and discuss issues relevant to business of packing and shipping dried fruit, tree nuts and kindred products.
2. Providing leadership and act as a liaison between the dried fruit, tree nut and other related exporting industries.
3. Promote export trade of dried fruit, tree nuts and kindred products.
4. Providing an array of specialized services to the dried fruit, tree nut and related industries.
5. Striving to improve the overall business conditions of persons engaged in exporting dried fruit, tree nuts, and kindred products.

## ARTICLE II.

### Members

Section 2.01. Qualifications and Rights of Regular Membership. The Association is organized with members, but without capital stock. Any person, whether individual, sole proprietorship, partnership, corporation, limited liability company or other business form, which is engaged in export sales of dried fruit, tree nuts or kindred products, may submit a written request for regular membership to the Executive Director of the Association. Any such person shall be eligible for regular membership on approval of their written request by the Board and the payment of such dues and fees as the Board may fix from time to time. Regular members of the Association shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Section 2.02. Associate Members. The Board may, by resolution, create a class of associate members who are non-voting members of the Association. If a class of associate members is created by the Board, the Board shall determine, as part of the resolution, the qualifications, rights, duties, and dues for associate members.

Section 2.03. Fees and Dues. Each member must pay, within the time and on the conditions set by the Board, the fees, dues, and special assessments in amounts to be fixed from time to time by the Board.

Section 2.04. No Liability for Services. Inasmuch as the Association performs services for members on a nonprofit basis, every member agrees as a condition of membership not to assert any claim or file any action against the Association arising out of or relating to services offered by the Association.

Section 2.05. Good Standing. Those members who have paid the required fees and dues in accordance with these bylaws, who operate in accordance with any code of ethics established by the Association, and who are not suspended shall be members in good standing.

Section 2.06. Inactive Status. Any member may apply to the Board for inactive membership status. The Board shall consider any such request at a regular or special meeting, and may grant or deny the request in its sole discretion. In the event a member is granted inactive membership status, the member shall not be liable during the inactive period for any dues or other obligations of membership. An inactive member has no voting rights and cannot have a director on the Board. An inactive member may apply to the Board for reinstatement of active membership at any time, and shall not be required to pay another initiation fee if the request for active status is granted.

Section 2.07. Termination of Membership. Membership shall terminate on the occurrence of any of the following events:

- (a) Resignation of a member upon notice to the Association;
- (b) Failure of a member to pay any dues or fees set by the Board within a period of time determined by the Board after they become due and payable;

- (c) Expulsion pursuant to Section 2.09 of these bylaws.

Section 2.08. Suspension or Expulsion of Membership. Any member or officer of the Association who has reason to believe that another member has violated or failed to perform any duty or obligation of the Association may file a written complaint with the Executive Director. A complaint filed with the Executive Director shall be promptly transmitted to the Board. A regular or associate member may be suspended or expelled in accordance with Section 2.09 of these bylaws, based on the good faith determination by the Board or a committee authorized by the Board to make such a determination, that the member has failed in a material and serious degree to comply with the Association's Articles of Incorporation, bylaws, code of ethics, or any law, policy or procedure applicable to the Association and its members, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a member in good standing during the period of suspension.

Section 2.09. Procedure for Suspension or Expulsion. If grounds appear to exist for suspension or expulsion of a member under Sections 2.07 or 2.08 of these bylaws, the procedures set forth below shall be followed:

- (a) The member shall be given 15 days prior notice of the proposed suspension or expulsion and the reasons for the proposed suspension or expulsion. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by certified mail, return receipt requested, to the member's last address as shown on the Association's records.
- (b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or expulsion. The hearing shall be held, or the written statement considered, by the Board or by a committee authorized by the Board to determine whether the suspension or expulsion should take place.
- (c) The Board or committee shall decide whether or not the member should be suspended, expelled or sanctioned in some other way. The decision of the Board or committee regarding any challenge shall be final.
- (d) Any action challenging a suspension or expulsion of membership, including a claim alleging defective notice, must be commenced within ninety (90) days after the date of the suspension or expulsion.

Section 2.10. Effect of Termination, Suspension, or Expulsion. All rights of a member of the Association shall cease upon termination, suspension, or expulsion from membership. Termination, suspension, or expulsion shall not relieve that member of any existing obligations to the Association. Membership in the Association does not constitute an ownership interest in any asset of the Association at any time.

Section 2.11. No Withdrawal Value. If a membership is terminated for any reason, the Association shall not be liable for the payment of any amount whatsoever. Each member is received into membership on his or her express agreement to this provision.

This provision is not for the purpose of penalizing any person whose membership shall be forfeited, or otherwise terminated, but rather because no membership will have any real or intrinsic value.

Section 2.12. Transfer of Memberships. A membership or any right arising from membership may not be transferred to another person without the prior approval of the Board.

Section 2.13. Restrictions on Membership. No individual or legal entity shall hold more than one regular membership in the Association.

Section 2.14. Liability of Members. Except as limited by law, no member is liable for the Association's debts, liabilities, or obligations.

Section 2.15. Meetings of Members.

- (a) Place of Meeting. Meetings of the members shall be held in any place within or outside California designated by the Board or by written consent of a majority of the persons entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Association's principal office.
- (b) Annual Meeting. An annual meeting of members shall be held at a time and place determined by the Board. At this meeting, any proper business may be transacted, subject to any limitations in law or these bylaws. Only regular members may vote at the annual meeting.
- (c) Special Meetings. A special meeting of the members for any lawful purpose may be called at any time by (1) the Board, (2) the Chairman of the Board, (3) the Executive Director, or (4) twenty percent (20%) of the regular members. Only regular members may vote at a special meeting.

A special meeting of members shall be called by written request, specifying the general nature of the business proposed to be transacted and submitted to the Chairman or to the Secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the regular members entitled to vote, in accordance with subsections (d) and (e) below, stating that a meeting will be held at a specified time and date fixed by the Board. If the meeting is called by anyone other than the Board, the meeting date shall be at least thirty-five (35), but not more than sixty (60) days after receipt of the request. If the Board calls the meeting, the meeting date may be any date for which appropriate notice is given in accordance with subsections (d) and (e) below. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice.

No business other than the business, the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

- (d) Notice Requirements for Members' Meetings. Written notice of any members' meeting shall be given, in accordance with these bylaws, to each member of the Association. The notice shall specify the place, date, and hour of the

meeting, and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting.

- (e) Manner of Giving Notice for Meetings. Except as otherwise provided in these bylaws or by law, notice of any meeting of members shall be in writing and shall be given not less than 10 nor more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class or express mail service, then that notice shall be given not less than 20 days before the meeting.

Notice of a members' meeting or any report shall be given personally, by electronic transmission (Corporations Code Section 20), or by regular, bulk, or express mail service, addressed to a member at the address of the member appearing on the books of the Association or given by the member to the Association for purpose of notice; or if no such address appears or is given, at the place where the principal office of the Association is located.

Notice given by electronic transmission under this subdivision shall be valid only if it complies with Corporations Code Section 20. Notwithstanding the foregoing, notice shall not be given by electronic transmission by the Association after either of the following:

- (1) The Association is unable to deliver two consecutive notices to the member by that means.
- (2) The inability to so deliver the notices to the member becomes known to the Secretary or other person responsible for the giving of the notice.

**Section 2.16. Waiver of Notice or Consent.** The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present, and (2) either before or after the meeting, each regular member who is not present in person, signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice, consent or approval need not specify either the business to be transacted or the purpose of any meeting of members. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes. A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting, but not so included, if that objection is expressly made at the meeting.

**Section 2.17. Quorum.** One-third (1/3) of the regular members of the Association in good standing shall constitute a quorum for the transaction of business at any meeting of members.

Section 2.18. Loss of Quorum. The regular members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the regular members required to constitute a quorum.

Section 2.19. Act of the Members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number is required by law, these bylaws or the Articles of Incorporation.

Section 2.20. Eligibility to Vote. Regular members entitled to vote at any meeting of members shall be all those in good standing as of the date the vote is taken. Each regular member shall be entitled to one vote at any annual, regular or special meeting of members.

Each regular member who is not an individual shall designate in writing the individual who shall exercise the voting rights and other privileges on behalf of the member. The designation shall be filed with the Secretary of the Association and maintained with the corporate records. Said designation may be changed, permanently or temporarily, by written notice to the Secretary of the Association.

Section 2.21. Proxies. Proxy voting is not allowed.

Section 2.22. Action by Written Ballot Without a Meeting. Any action that may be taken at any meeting of members may be taken without a meeting by complying with the following procedure.

The Chairman shall cause to be distributed one written ballot to each regular member. Such ballots shall be mailed or delivered in the manner required by Section 2.16(e). All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) state the percentage of approvals necessary to pass the action or actions, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the regular members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the Association.

Approval by written ballot shall be valid only when (1) the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting. All written ballots shall be filed with the Secretary of the Association and maintained in the corporate records for at least three years.

## ARTICLE III.

### Directors

Section 3.01. Number and Qualifications. The Board shall consist of at least seven (7) but not more than nine (9) directors unless changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board. Directors shall be elected by and from regular members. No regular member shall have more than one director serving on the Board at the same time.

Section 3.02. Election of Directors. Directors shall be elected at the annual meeting of members. The Secretary shall appoint a nominating committee to select qualified candidates for election to the board at least 60 days prior to the annual meeting at which directors are to be elected. The nominating committee shall communicate the names of its nominees to the Secretary of the Association at least 30 days prior to the annual meeting at which directors are to be elected. The Secretary shall verify the eligibility of all nominees, and shall cause the names of the eligible nominees to be sent to all regular members at the time the notice of the annual members meeting is sent. Nominations may also be taken from the floor at the time of the election. Neither the Board nor any committee of the Board is authorized to expend Association funds to support a particular nominee for director. The election of directors may also be conducted by mail ballot to the membership in accordance with the procedures in the California Nonprofit Mutual Benefit Corporation law. The nominations process and timelines above shall still apply in the event a mail ballot, rather than an in-person meeting, is used for the election of directors.

Section 3.03. Terms of Office. The term of office of each director shall be three (3) years and all directors shall serve until expiration of the term for which elected and until a successor has been elected and qualified. If necessary, the Board may utilize any reasonable method to stagger the terms of the directors so as to provide continuity on the Board.

There shall be no limit on the number of terms which may be served by a director if the director continues to be qualified.

Section 3.04. Vacancies. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any director, (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, (c) the vote of the members to remove any director, (d) the increase of the authorized number of directors, (e) the resignation or disqualification of the member which the director represents, or (f) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

Section 3.05. Resignations. Except as provided below, any director may resign by giving written notice to the Chairman or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective.

Section 3.06. Filling Vacancies. Except for vacancies created by removal of a director by the members, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill any

vacancy or vacancies not filled by the directors. Persons appointed to fill a vacancy shall serve until the end of the term of the person whose vacancy they are filling.

Section 3.07. Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 3.08. Annual and Special Board Meetings. An annual meeting of the Board shall be held on the same day as, or the day before or after, the annual membership meeting. Other meetings ("special meetings") of the Board may be held from time to time on the call of the Chairman, the Executive Director, or any two directors. The time and purpose for any special meeting shall be set by the person(s) calling such meeting.

Section 3.09. Notice of Meetings. Notice of meetings of the Board, specifying the time and place of the meeting, shall be given to each director at least seven (7) days before the meeting by first-class mail, or forty-eight (48) hours before the meeting if personally delivered or by telephone, including a voice messaging system, or by electronic transmission (Corporations Code Section 20). Notice shall be deemed delivered when deposited in the U.S. mail or with an express mail service, or when received if delivered personally or by telephone, or on its confirmation of delivery if by electronic transmission.

Section 3.10. Place and Time of Meetings. Meetings of the Board shall be held at whatever place and time is designated from time to time by the Board and, in the absence of any designation, shall be held at the principal office of the Association.

Section 3.11. Meetings by Telephone. Any meeting of the Board may be held by conference telephone or similar communication equipment, so long as the following conditions are met:

- (a) Each director participating in the meeting can communicate with all other directors concurrently.
- (b) Each director is provided the 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 by the Board.
- (c) The Board adopts and implements some means of verifying both of the following:
  - (1) A person communicating by telephone, electronic video screen, or other communications equipment is a director entitled to participate in the Board meeting.
  - (2) All statements, questions, actions or votes were made by that director and not by another person not permitted to participate as a director.

Section 3.12. Waiver of Notice and Consent to Meetings. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who



attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 3.13. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 3.14. Act of the Board. Unless otherwise restricted by law or these bylaws, every act or decision done or made by a majority of directors present at a meeting duly held at which a quorum is present shall be regarded as an act of the Board.

Section. 3.15. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Any business that might have been transacted at a meeting as originally noticed may be transacted at an adjourned and rescheduled meeting.

Section 3.16. Action Without Meeting. Any action which, in accordance with law, is required or permitted to be taken at a meeting of the Board may be taken without a meeting if all directors consent in writing to such action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 3.17. Compensation of Directors. Directors shall not receive compensation for their services. Directors may, at the discretion of the Board, receive reimbursement for travel and other actual expenses.

Section 3.18. Powers and Limitations of Board of Directors. The Board, subject to restrictions of law, the Articles of Incorporation, and these bylaws, shall exercise all powers of the Association. Without limitation on its general power, except as specified herein, the Board shall have full power and discretion to do the following:

- (a) Policies. Adopt policies, rules and procedures for the management and operation of the Association.
- (b) Administration. Retain a person or entity to administer the day-to-day activities of the Association. An individual retained pursuant to this authority shall be known as the Executive Director and shall be an officer of the Association. The Board may also employ, retain, or authorize the employment of such other employees, independent contractors, agents, and legal counsel as it from time to time deems necessary or advisable in the interest of the Association, prescribe their duties and fix their compensation.
- (c) Bonds. Require officers, agents, and employees charged by the Association with responsibility for the custody of any of its funds or negotiable instruments to give adequate bond.

- (d) Audits. Select a licensed certified public account to perform an audit or review of the books and records of the Association and submit a written report to the Board.
- (e) Borrowing money. Borrow money and incur indebtedness on behalf of the Association and cause to be executed and delivered for the Association's purposes, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, liens, and other evidences of debt and securities.
- (f) Gifts. Receive and accept gifts, devises, bequests, donations, annuities, and endorsements of real and personal property, and use, hold and enjoy the same, both as to principal and income, and to invest and re-invest the same or any part thereof for the furtherance of any objects, interests or purposes of this Association.
- (g) Contributions. Make such contributions as the Board determines are necessary and advisable in furtherance of the interests and purposes of this Association.
- (h) Fiscal Year. Fix and change the fiscal year of the Association. Unless changed by action of the Board, the fiscal year shall be the 12-month period beginning July 1 and ending June 30 of the following year.
- (i) Seal. Adopt and use a corporate seal provided that the name of the Association and the state are shown on it. The seal may be affixed to such instruments as the Board shall direct. However, the lack of a corporate seal shall not, by itself, affect the legality of any document executed on behalf of the Association.
- (j) Contracts. Enter into contracts and agreements with individuals and with public and private entities for the advancement of the purposes for which the Association is organized.
- (k) Property. Acquire, construct and possess real and personal property.
- (l) Bank Accounts and Special Funds. Establish one or more bank accounts and/or special funds in order to accomplish and further the purposes of the Association.
- (m) Political Action Committees. Establish and administer state and federal political action committees in order to accomplish and further the purposes of the Association.
- (n) Committees. Appoint committees as provided in these bylaws.
- (o) Services. Authorize the Association to provide services, including but not limited to inspection and certification services, to members and nonmembers, and to adopt the necessary procedures for the implementation of such programs.

- (p) Other. Do and perform all acts and exercise all powers incidental to, or in connection with, or deemed reasonably necessary for the proper implementation of the purposes of the Association.

Section 3.19. Voting Power. For all purposes, the voting power of each voting director shall be one vote.

Section 3.20. Property Rights. No director shall have any property rights in any assets of the Association.

## ARTICLE IV.

### Officers

Section 4.01. Officers. The Board shall elect at its annual meeting a Chairman and a Vice-Chairman from among the directors, both of whom shall be referred to as the “elected officers”. The Board shall also appoint a Secretary and Treasurer who may be, but do not have to be, directors. The Board may from time to time elect or appoint such other officers as it deems necessary to carry out the obligations of the Board or the Association, and set their terms and duties. The positions of Secretary and Treasurer may be held by the same person, however no other officer positions may be combined.

The Executive Director of the Association shall also be an officer of the corporation.

Section 4.02. Terms of Office. The term of office for elected or appointed officers is two years and until a successor is elected (or appointed) and qualified. Provided however, that if an elected officer is not re-elected as a director, his or her officer position shall terminate at the same time as his or her director position. There is no limit on the number of terms an officer may serve so long as he or she remains qualified.

Section 4.03. Compensation of Officers. The elected officers of the Association shall not receive compensation for their services. The elected officers of the Association shall not receive compensation if those positions are filled by directors. The Board may authorize compensation for the elected officers if those positions are filled by non-directors.

Section 4.04. Removal of Officer. The Chairman, Vice-Chairman, and any other officers may be removed from office at any time, for any reason, by a majority vote of the Board. Any vacancy created by this section may be filled immediately by a majority vote of the Board.

Section 4.05. Chairman. The Chairman of the Board shall preside at all meetings of the members and the Board. He or she shall be the Chairman of the Executive Committee and *an ex-officio* member of all other committees. The Chairman shall have the general powers and duties usually vested in the office of chairman of a corporation, and shall have whatever other powers and duties may be prescribed by the Board.

Section 4.06. Vice-Chairman. In the absence or disability of the Chairman, the Vice-Chairman shall perform all the duties of the Chairman, and when so acting, shall have all the power of and be subject to all the restrictions of the Chairman. The Vice-Chairman shall be a member of the Executive Committee. The Vice-Chairman shall have whatever other powers and duties as may be prescribed from time to time by the Board.

Section 4.07. Secretary. The Secretary shall keep, or cause to be kept, at the principal office or other place that the Board may designate, a book of minutes of all membership meetings and meetings of the Board, stating the time and place, whether regular or special, and, if special, how authorized, the notice given, the names of those directors present, and the proceedings of those meetings. The Secretary shall keep, or cause to be kept, a regular showing of the names of the members and directors, their addresses and telephone numbers.

The Secretary shall give, or cause to be given, notice of all meetings; shall keep the seal of the Association in safe custody; and shall have whatever powers and duties may be prescribed from time to time by the Board.

The Assistant Secretary shall assume the role of Secretary when he/she is not available.

Section 4.08. Treasurer. The Treasurer shall be the Chief Financial Officer of the corporation. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gain, losses, capital and surplus. Except as limited by law, the books of account shall be open to inspection at all reasonable times by any regular member or director. The Treasurer shall cause to be filed all reports required by government entities, including but not limited to the Internal Revenue Service, the California Franchise Tax Board, and the Secretary of State.

The Treasurer shall render to the Chairman and directors, on request, an account of all of the transactions and of the financial condition of the Association, and shall have whatever other powers and duties may be prescribed by the Board.

Section 4.09. Executive Director. The Executive Director shall be an at-will employee of the Association unless specified otherwise in a written agreement signed by the Chairman and approved by the Board. Subject to the supervisory powers of the Board, the Executive Director shall:

- (a) Be the Chief Executive Officer of the Association responsible for all management functions.
- (b) Manage and direct all activities of the Association as prescribed by the Board and approved by the Board when necessary.
- (c) Serve as a non-voting *ex officio* member of the Board and all committees.
- (d) Employ and terminate the employment of any other employees of the Association which the Board deems necessary to carry on the work of the Association, and fix their compensation within the approved budget of the Association.
- (e) Define the duties of the staff, supervise their performance and establish their titles which, in the Executive Director's judgment, are in the best interests of the Association.

- (f) Perform any other powers and duties as may be authorized by the Board.

## ARTICLE V.

### Committees

Section 5.01. Committees of the Board. The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more “committees of the Board”, each consisting of two or more voting directors and no persons who are not voting directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. To the extent provided in the Board resolution, committees of the Board shall have the authority of the Board, except that no committee, regardless of board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (c) Fix compensation of the directors for serving on the Board or on any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (f) Create any other committees of the Board or appoint the members of committees of the Board;
- (g) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or
- (h) With respect to any assets held in charitable trust, approve any contract or transaction between the corporation and one or more of its directors or between the corporation and an entity in which one or more of its directors have a material financial interest, subject to the special approval provisions of Section 5233(d)(3) of the California Corporations Code.

Section 5.02. Notice Requirements for Committees of the Board. Written notice, via regular or express mail or facsimile, shall be provided to all committee members at least 48 hours in advance of any meeting of a committee of the Board. Provided, however, that this notice may be waived in writing, or by the committee member’s actual attendance at the meeting.

Section 5.03. Quorum for Committees of the Board. A majority of the voting members of any committee of the Board shall constitute a quorum, and the acts of a majority of the voting

members present at a meeting at which a quorum is present shall constitute the act or recommendation of the committee.

Section 5.04. Executive Committee. The Executive Committee shall be composed of the Chairman, the Vice-Chairman, and one other director appointed by the Chairman. The Executive Director shall attend Executive Committee meetings. However, if the Secretary and/or Treasurer are directors, they shall be considered voting members of the Executive Committee. The Executive Committee shall be a standing committee and shall have all the authority delegated by the Board. The Executive Committee shall be a “committee of the Board” as described above.

All action taken by the Executive Committee shall be reported to the full Board at the next Board meeting.

Section 5.05. Advisory Committees. The Board or the Chairman may from time to time establish advisory committees composed of any number of directors or non-directors who shall assist the Board or a committee of the Board by making recommendations on specific issues. In general, advisory committees do not exercise the authority of the Board, have no independent decision-making authority, and are not subject to the notice and quorum provisions applicable to committees of the Board.

However, the Board can delegate certain activities of the Association to an advisory committee, so long as the Board retains the ultimate authority to direct and control such activities. In the event such authority is delegated to an advisory committee, the advisory committee becomes subject to the notice and quorum requirements of this Article V, and must report all actions to the Board at the next Board meeting after the action is taken by the committee.

Section 5.06. Meetings by Telephone. Any meeting of a committee may be held by conference telephone or similar communication equipment in the same manner provided for in Article III of these bylaws.

Section 5.07. Closed Sessions. At the discretion of a committee chairman, any committee meeting may be closed to persons other than committee members, except that in no event may a committee chairman exclude the Chairman of the Board of Directors from a committee meeting.

## ARTICLE VI.

### Arbitration Program

Section 6.01. Establishment. The Board may establish and oversee an arbitration program for the benefit of those engaged in the packing and/or shipping of dried fruit, tree nuts or kindred products. The specific components of any arbitration program established by the Board shall be described in detail in procedures adopted by the Board.

Section 6.02 Mandatory for Regular Members. Regular members of the Association are required, as a condition of membership, to participate in any arbitration program established by the Board.

## ARTICLE VII.

### Liability and Indemnification

Section 7.01. Liability. Except as limited by law, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer director or officer of the Association based on any alleged failure to discharge the person's duties as a volunteer director or officer if the duties are performed in accordance with the standards of conduct provided for in the California Corporations Code.

#### Section 7.02. Indemnification.

- (a) Right of Indemnity. To the fullest extent permitted by law, this Association may, in the discretion of the Board, indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.
- (b) Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board may authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting may authorize the indemnification.

Section 7.03. Insurance. The Board may adopt a resolution authorizing the purchase and maintenance of an insurance policy or policies or bond on behalf of its directors, officers or employees against any liabilities, other than for violating provisions against self-dealing, incurred by the director, officer or employee in such capacity or arising out of their status as such.

## ARTICLE VIII.

### Rights of Inspection

Section 8.01. Rights of Inspection by Members and Directors. The regular members and directors of the Association may inspect, at any reasonable time, the books and records of the Association to the extent allowed by the provisions of the California Nonprofit Mutual Benefit Corporation Law applicable to this Association.

## ARTICLE IX.

### Dissolution

Section 9.01. Dissolution by Vote. The Association may be dissolved at any time by a two-thirds (2/3) vote of the regular members. Upon such election, the directors shall promptly cease operations and proceed to wind up and dissolve the Association.

Section 9.02. Remaining Assets. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed back to the regular members in equal shares.

## ARTICLE X.

### Amendments

Section 10.01. Amendment to Bylaws. These bylaws may be amended or repealed, or new bylaws adopted by a two-thirds vote of the Board. However, approval of the regular members is required for repeal or if an amendment or new bylaw provision would:

- (a) Materially and adversely affect the regular members' rights as to voting or dissolution;
- (b) Effect an exchange, reclassification, or cancellation of all or part of the memberships;
- (c) Authorize a new class of membership;
- (d) Change the number of authorized directors;
- (e) Change from a fixed number of directors to a variable number of directors, or vice versa;
- (f) Increase or extend the terms of directors;
- (g) Allow any director to hold office by designation or selection rather than by election by the regular members;



- (h) Increase the quorum for members' meetings; or
- (i) Repeal, restrict, create, expand, or otherwise change proxy rights.

## ARTICLE XI.

### Miscellaneous

Section 11.01. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law applicable to this Association shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine, the singular includes the plural and the plural includes the singular.

Section 11.02. Robert's Rules of Order Robert's. Rules of Order shall control if any question of procedure arises during meetings of the membership or the Board.

Section 11.03. Annual Report. Within 120 days after the close of the corporation's fiscal year, the Board shall cause an annual report to be prepared in accordance with Section 8321 of the California Corporations Code. The report shall be made available to any member who requests a copy.

Section 11.04. Annual Statement of Transactions and Indemnifications. As part of the annual report described in Section 11.04 above, the Board shall cause to be prepared a statement of any transaction of indemnification if required by Section 8322 of the California Corporations Code.

Section 11.05. Conflicts of Interest. Board members and committee members must actively seek to avoid situations and activities that create an actual or potential conflict between the individual's personal interests and the interests of the corporation. If a Board member or committee member believes that a conflict exists relative to a particular issue being considered by the Board or any committee, he or she shall disclose the conflict to the Board or committee, as appropriate, and abstain from discussion or voting on the issue.

For purposes of this section and these bylaws, a "conflict of interest" means a situation in which a Board or committee member is part of a discussion or decision by the Board or a committee which has the potential to financially benefit that Board or committee member or a member of that Board or committee member's immediate family. "Immediate family" means, spouse or same-sex/domestic partner, children, parents, siblings, parents-in-law, or siblings-in-law.

Both the fact and the appearance of a conflict of interest should be avoided. Board members or committee members who are unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with the Chairman, who will determine whether disclosure to the Board or the assistance of legal counsel is required.

Section 11.06. Intellectual Property. All intellectual property prepared or purchased by or on behalf of the corporation, including but not limited to be SCTC name, educational, promotional,

and training materials, newsletters, contracts, logos, service marks, membership lists, contributor lists, and research results, shall be the exclusive property of the corporation and Board members agree to deal with it as such. Board members agree that they will not sell, transfer, publish, modify, distribute, or use for their own purposes, the intellectual property belonging to the corporation without prior approval of the Board memorialized in a writing signed by the Chairman.

Section 11.07. Required Disclosures and Reporting. SCTC shall comply with the disclosure and reporting requirements of federal and state agencies to which it is subject.

**CERTIFICATE OF SECRETARY  
OF  
SPECIALTY CROP TRADE COUNCIL**

I certify that I am the duly elected and acting Secretary of SPECIALTY CROP TRADE COUNCIL, a California Nonprofit Mutual Benefit Corporation, that the above Bylaws, consisting of 19 typewritten pages including this page, are the Bylaws of this corporation as approved by the Board of Directors on February 11, 2015, and that they have not been amended or modified since that date.

Executed on the \_\_\_\_ day of \_\_\_\_\_, 2015 at  
\_\_\_\_\_, California.

\_\_\_\_\_  
Erika Montoya, Secretary