

TO: Charles W. Parrott
Deputy Administrator
Fruit and Vegetable Program

FROM: Heather M. Pichelman, Director
Promotion and Economics Division
Fruit and Vegetable Program



SUBJECT: Approval of Amended By-laws for Avocados from Mexico

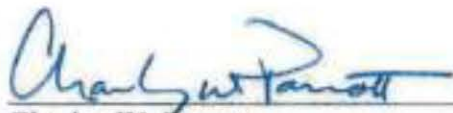
I recommend approval of amended by-laws for Avocados from Mexico (AFM), a wholly-owned subsidiary of the Mexican Hass Avocado Importers Association (MHAIA). The amended bylaws were discussed and approved by MHAIA during a meeting held on September 9, 2014.

The purpose of AFM is to coordinate marketing activities for MHAIA and APEAM while reducing overhead costs. All of AFM's administrative expenses will be funded by APEAM's contribution, with the remainder of those funds going to the promotional programs.

The Board amended Article III, section 3.02, Article IV, sections 4.02, through 4.13; Article V, section 5.01; Article VI, sections 6.03, 6.06, and 6.08. The amendments to the AFM by-laws clarify the aforementioned sections in plain language while keeping them in compliance with the MOU.

The amended by-laws and MOU are attached.

Approved by:



Charles W. Parrott
Deputy Administrator
Fruit and Vegetable Program

1/23/15
Date

Attachments:

- 1) AFM By-laws – revised September 2014 modified ALL changes
- 2) AFM By-laws – revised September 2014 clean copy
- 3) Memorandum of Understanding between the Mexican Hass Avocado Importers Association (MHAIA) and APEAM A.C.

BYLAWS FOR AVOCADOS FROM MEXICO, A NONPROFIT ORGANIZATION

ARTICLE I

Purposes of the Corporation

Section 1.01 Purposes.

As set forth in the Articles of Incorporation, Avocados From Mexico is organized exclusively for charitable and educational purposes. These purposes include: carrying out a coordinated program of advertising, promotion, development, information and research for Hass avocados imported from Mexico to implement the provisions of the Hass Avocado Promotion, Research and Information Act of 2000 and the Hass Avocado Promotion Order (Order).

ARTICLE II

Offices

Section 2.01 Location.

The principal office of Avocados From Mexico shall be located at such place as the Board of Directors shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board of Directors may designate. Avocados From Mexico shall continuously maintain within the State of Nevada a registered office at such place as may be designated by the Board of Directors.

ARTICLE III

Section 3.01 Shareholders

The Mexican Hass Avocado Importers Association (MHAIA) shall be granted all of the shares of Avocados From Mexico.

Section 3.02 Administrative Expenses

(a) No funds received from MHAIA that constituted "assessment funds" under the provisions of the Hass Avocado Promotion, Research and Information Act of 2000

and the Hass Avocado Promotion Order (Order) may be used to pay the administrative expenses of Avocados From Mexico.

(b) Funds received from APEAM A.C. the association of growers and packers of avocados from Mexico, as payments under contracts with Avocados From Mexico, or otherwise, may be used to pay the administrative expenses of Avocados From Mexico; however, APEAM A.C. shall retain the right to terminate its relationship with Avocados From Mexico pursuant to the provisions of the Memorandum of Understanding Between the Mexican Hass Avocado Importers Association (MHAIA) APEAM A.C. dated February 17, 2011, as amended.

In the event APEAM terminates its relationship with AFM, an alternate source of funding for administrative expenses shall be found, otherwise AFM will be dissolved.

ARTICLE IV

Board of Directors

Section 4.01. Power of Board.

The affairs of Avocados From Mexico shall be managed by the Board of Directors. Directors may be residents of the District of Columbia, any State of the United States, any territory thereof, or Mexico.

Section 4.02. Number of Directors.

The number of Directors shall be six voting directors and two ex officio directors, as provided in the Memorandum of Understanding Between the MHAIA and APEAM, dated April 23, 2013 (hereinafter referred to as "The MOU" and which is hereby incorporated by reference into these By-Laws). The number of directors may be increased or decreased from time to time by amendment to the MOU.

Section 4.03. Election and Term of Directors.

(a) The first Board of Directors of Avocados From Mexico shall consist of those persons named in the Articles of Incorporation. Such persons shall hold office until the first regular annual election of Directors.

(b) Election of Directors shall occur at each annual meeting of the Board. The Directors shall be elected pursuant to the provisions of The MOU.

Section 4.04 Removal of Directors.

A director may be removed by a majority vote of the Board of Directors, at any regularly scheduled or special meeting of the Board of Directors, whenever in its judgment the best interests of the Corporation would be served thereby.

Section 4.05 Resignation.

Except as otherwise required by law, a director may resign from the Board at any time by giving notice in writing to the Board. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

Section 4.06 Quorum of Directors and Action by the Board.

Unless a greater proportion is required by law, a majority of the voting directors then in office shall constitute a quorum for the transaction of business. If a quorum is present at the commencement of a meeting, a quorum shall be deemed present throughout such proceedings. Except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 4.07 Meetings of the Board.

(a) Meetings of the Board of Directors, regular or special, may be held at such place within or without the State of Nevada and upon such notice as may be prescribed by resolution of the Board of Directors.

(b) An annual meeting shall be held once a year at a time and location set by the Board of Directors. In addition to the annual board meeting, the Board shall hold at least three (3) quarterly regular meetings a year, but may meet more frequently if circumstances require.

(c) A director's attendance at any meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by the director for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

(d) Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

Section 4.08 Informal Action by Directors; Meetings by Conference Telephone.

(a) Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken by the Board may be taken without a meeting if a majority of the voting directors consent in writing through fax, mail, or by electronic mail to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the directors shall be filed with the minutes of proceedings of the Board.

(b) Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any or all directors may participate in a meeting of the Board or a committee of the Board by means of conference telephone or by any means by which all persons participating in the meeting are able to communicate with one another, and such participation shall constitute presence in person at the meeting.

Section 4.09 Voting.

Each voting Director shall have one vote. All voting at meetings shall be done personally and no proxy shall be allowed. The Chairperson's vote shall break any tied votes.

Section 4.10 Compensation.

Directors shall not receive any compensation from Avocados From Mexico for services rendered to the Corporation as members of the Board, except that directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts based on policies approved by the Board.

Section 4.11 Absence.

Each Board member is expected to communicate with the Chair/President in advance of all Board meetings stating whether or not s/he is able to attend or participate by conference telephone or other agreed-upon means of communication. Any Board member who is absent from three successive Board meetings or fails to participate for a full year shall be deemed to have resigned due to non-participation, and his/her position shall be declared vacant, unless the Board affirmatively votes to retain that director as a member of the Board.

ARTICLE V

Committees

Section 5.01 Committees of Directors.

The Board of Directors, by resolution adopted by a majority of the voting directors in office, may designate and appoint one or more committees, each consisting of two or more directors, which committees shall have and exercise the authority of the Board of Directors in the governance of the Corporation. However, no committee shall have the authority to amend or repeal these Bylaws, elect or remove any officer or director, adopt a plan of merger, or authorize the voluntary dissolution of the Corporation.

Section 5.02. Other Committees and Task Forces.

The Board of Directors may create and appoint members to such other committees and task forces as they shall deem appropriate. Such committees and task forces shall have the power and duties designated by the Board of Directors, and shall give advice and make non-binding recommendations to the Board.

Section 5.03. Term of Office.

Each member of a committee shall serve for one year until the next annual meeting of the Board of Directors and until a successor is appointed, unless the committee is sooner dissolved.

Section 5.04. Vacancies.

Vacancies in the membership of committees may be filled by the Chair of the Board.

Section 5.05. Rules.

Each committee and task force may adopt rules for its meetings not inconsistent with these Bylaws or with any rules adopted by the Board of Directors.

ARTICLE VI

Officers, Agents, and Employees

Section 6.01. Officers.

The Board of Directors of Avocados From Mexico shall elect a Chair, a Vice-Chair, a Secretary, and a Treasurer. Officers shall not receive any salary and must be directors of the Corporation. Any two offices may be held by the same person, except that the Chair may not hold another office. The Chair of Avocados From Mexico shall be an importer in those periods during which the Chair of MHAIA is not an importer.

Section 6.02 Term of Office.

The officers of Avocados From Mexico shall be elected for one-year terms at the regular annual meeting of the Board of Directors. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until a successor shall have been duly elected or appointed and qualified.

Section 6.03 Removal.

Any officer may be removed by a majority vote of the voting directors of the Board of Directors in office whenever in the Board's judgment the best interests of the Corporation will be served thereby.

Section 6.04 Resignation from Office.

Officers may resign at any time by providing written notice to the Chair.

Section 6.05 Powers and Duties.

The powers and duties of the officers of Avocados From Mexico shall be as follows:

(a) Chair. The Chair shall preside at the meetings of the Board of Directors. In the absence of paid staff, the Chair shall ensure the supervision and administration of the business and affairs of the Corporation. The Chair shall play a major role in resource development and in representing the organization within and outside the community. The Chair, as well as any other proper officer or staff person of Avocados From Mexico authorized by the Board of Directors, may sign any deeds, bond, mortgages, or other instruments and enter into agreements necessary to carry out the missions and programs of Avocados From Mexico, except where these Bylaws or policies adopted by the Board require the signature of some other officer or agent of the Corporation. The Chair shall communicate to other officers or to the Board of Directors such matters and make such suggestions as may in her/his opinion tend to promote the prosperity and welfare and increase the usefulness of Avocados From Mexico, and, subject to the supervision of the Board of Directors, shall perform all duties customary to that office.

(b) Vice Chair. In case of the absence of the Chair, or of her/his inability from any cause to act, the Vice-Chair shall perform the duties of that office. Like the Chair, the Vice-Chair shall play a major role in resource development and in representing the organization within and outside the community.

(c) Secretary. The Secretary shall be responsible for keeping an accurate record of all meetings of the Board of Directors, see that all notices are duly given in accordance with these Bylaws or as required by law, and in general perform all duties customary to the office of Secretary and such other duties as from time to time may be assigned by the Chair or by the Board. The Secretary shall have custody of the corporate seal of the Corporation, if any, and shall have the authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his/her signature. The Board of Directors may give general authority to any officer to affix the seal of the Corporation, if any, and to attest the affixing by his/her signature.

(d) Treasurer. The Treasurer shall be responsible for financial oversight, including ensuring that appropriate fiscal records are kept and ensuring that all funds are recorded, spent, and monitored consistent with funding requirements, legal requirements, and sound financial management.

Section 6.06. Agents and Employees.

The Board of Directors may choose to appoint an President, who shall serve at the pleasure of the Board. The President shall hire, direct, and discharge all other agents and employees, who shall have such authority and perform such duties as may be required to carry out the operations of the Corporation. Any employee or agent may be removed at any time with or without cause. Removal without cause shall be without prejudice to such person's contract rights, if any, and the appointment of such person shall not itself create contract rights.

Section 6.07 Compensation.

The Corporation may pay compensation in reasonable amounts to agents and employees for services rendered. The Board shall determine the level of compensation of the (CEO), and shall approve compensation guidelines for other categories of employees. The Board may require officers, agents, or employees to give security for the faithful performance of their duties.

Section 6.07 Budgets, Programs, Plans and Projects

All budgets, programs, plans and projects involving the use of assessment funds as defined in the Hass Avocado Promotion, Research and Information Act of 2000 are subject to the provisions in *Article 15., Budgets, Programs, Plans and Projects of the By-Laws of the Mexican Hass Avocado Importers Association.*

Section 6.08 Contracts and Agreements

The Board of Directors may authorize the Chair, and the Secretary to enter into contracts or to execute and deliver other documents and instruments on the Corporation's behalf. Such authority may be invested in other officers or agents of the Corporation from time to time for specific purposes. All contracts and agreements involving the use of assessment funds as defined in the Hass Avocado Promotion, Research and Information Act of 2000 are subject to the provisions in

Article 16., Contracts and Agreements of the By-Laws of the Mexican Hass Avocado Importers Association.

Section 6.09 Expenses

Expenses shall be controlled according to *Article 19., Expenses* of the By-Laws of the Mexican Hass Avocado Importers Association.

Section 6.10 Prohibited Activities

Prohibited activities of Directors shall be the same as established under Section 1219.42 of title 7 of the code of Federal Regulations

ARTICLE VII

Miscellaneous

Section 7.01. Fiscal Year.

The fiscal year of the corporation shall be July 1 through June 30.

Section 7.02 Corporate Seal.

The corporate seal, if any, shall be circular in form, shall have the name of the Corporation inscribed thereon and shall contain the words "Corporate Seal" and "Nevada" and 2012, the year the Corporation was formed, in the center.

Section 7.03. Gifts.

The Board of Directors may authorize the Executive Director and the Secretary, as well as the Chair, to accept on behalf of the Corporation any contribution, gift, bequest, or devise for the purposes of Avocados From Mexico.

Section 7.04 Checks, Drafts, Loans, Etc.

All checks, drafts, loans, or other orders for the payment of money, exceeding one thousand dollars (\$1000), or to sign acceptances, notes, or other evidences of indebtedness exceeding such amount issued in the name of Avocados From Mexico shall be signed by two (2) officers: The CEO or CFO of the Corporation and the Executive Director of the MHAIA. Disbursements over a specific amount,

to be set by the Board from time to time, shall be considered "special disbursements" and must be approved in advance by the Board of Directors.

Section 7.06. Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may from time to time select.

Section 7.07 Books and Records to be Kept.

The Corporation shall keep at its registered office in Nevada (1) correct and complete books and records of account, (2) minutes of the proceedings of the Board of Directors and any committee having any of the authority of the Board, and (3) a record of the names and addresses of the Board members entitled to vote. All books and records of the Corporation may be inspected by AMS and any Board member having voting rights, or his/her agent or attorney, for any proper purpose at any reasonable time.

Section 7.08 Amendment of Articles and Bylaws.

The Articles of Incorporation and the Bylaws of the Corporation may be adopted, amended, or repealed by a majority vote of the directors then in office, provided that at least ten days' written notice has been given each member of the Board of the intention to adopt, amend, or repeal the Articles of Incorporation or the Bylaws.

Section 7.09 Loans to Directors and Officers.

No loans shall be made by the Corporation to its directors or officers.

Section 7.10 Indemnification and Insurance.

(a) Unless otherwise prohibited by law, Avocados From Mexico shall indemnify any director or officer, any former director or officer, any person who may have served at its request as a director or officer of another corporation, whether for-profit or not-for-profit, and may, by resolution of the Board of Directors, indemnify any employee against any and all expenses and liabilities actually and necessarily incurred by him/her or imposed on him/her in connection with any

claim, action, suit, or proceeding (whether actual or threatened, civil, criminal, administrative, or investigative, including appeals) to which s/he may be or is made a party by reason of being or having been such director, officer, or employee; subject to the limitation, however, that there shall be no indemnification in relation to matters as to which s/he shall be adjudged in such claim, action, suit, or proceeding to be guilty of a criminal offense or liable to the Corporation for damages arising out of his/her own negligence or misconduct in the performance of a duty to the Corporation.

(b) Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such director, officer, or employee. The Corporation may advance expenses to , or where appropriate may itself, at its expense, undertake the defense of, any director, officer, or employee; provided, however, that such director, officer or employee shall undertake to repay or to reimburse such expense if it should ultimately be determined that s/he is not entitled to indemnification under this Article.

(c) The provisions of this Article shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

(d) The indemnification provided by this Article shall not be deemed exclusive to any other rights to which such director, officer, or employee may be entitled under any statute, Bylaw, agreement, vote of the Board of Directors, or otherwise and shall not restrict the power of the Corporation to make any indemnification permitted by law.

(e) The Board of Directors may authorize the purchase of insurance on behalf of any director, officer, employee, or other agent against any liability asserted against or incurred by him/her which arises out of such person's status as a director, officer, employee, or agent or out of acts taken in such capacity, whether or not the Corporation would have the power to indemnify the person against that liability under law.

(f) In no case, however, shall the Corporation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended ("the Code").

Further, if at any time the Corporation is deemed to be a private foundation within the meaning of section 509 of the Code then, during such time, no payment shall be made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in section 4941(d) or section 4945(d), respectively, of the code.

(g) If any part of this Article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

[Bylaws approved by the Board of Directors on May 14, 2013]