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Schramm, Williams & Associates, Inc.

517 C Street, NE • Capitol Hill, DC 20002-5809 • (202) 543-4455 • Fax (202) 543-4586

December 20, 1993

Mr. N. Bradley Litchfield
Federal Election Commission
Washington, D.C. 20463

Re: Advisory Opinion Request

Dear Sirs:

We are writing on behalf of the Western Pistachio Association's political action committee, NutPAC, to obtain an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, (FECA) and FEC regulations to a golf tournament NutPAC has proposed holding in March of 1994.

NutPAC is the separate segregated fund of the Western Pistachio Association (WPA or the Association). WPA represents the interests of growers, processors, and other pistachio industry members throughout the United States, largely from Arizona, California, Nevada, Texas, and Utah.

Sponsorship

The Association has proposed a golf tournament for March 9, 1994, at the annual meeting, to raise funds for NutPAC. The Association would like to solicit sponsors from WPA's membership to help offset the costs of the tournament (course rental, food, and awards). Sponsors are asked to contribute in various categories: Tournament sponsor - \$5,000; Prime sponsor - \$1,000; or Associate sponsor - \$500, \$250, or \$100. Sponsor contributions are in addition to annual dues collected by the Association. Sponsors will pay by personal check; however, we have proposed recognizing the sponsor or sponsor's company through signs on the golf course and at the awards ceremony.

Sponsors will also be allowed to play in the tournament free of charge, whereas other participants will pay a \$150 entry fee. We estimate between 60 and 70 individuals will play in the tournament.

We will contact WPA corporate members to request permission to solicit their employees to participate in the golf tournament.

Green Fees

WPA members will be charged \$150 green fees and all these funds will be deposited in the in the segregated PAC account.

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Our question is the following: If non-members learn of the golf tournament through industry discussions, reading about the golf tournament in the Association's quarterly magazine (which is sent to members and non-members), or hearing of the tournament at the registration desk, can the non-members contribute--using personal funds--and play in the tournament? If this procedure is not acceptable, can we require the non-members become members of the Association at registration time?

If non-members are permitted to play golf and remain non-members, we plan to have non-member golf participant green fees used to reduce the rental of the golf course fee, which is approximately \$5,600. These non-member golf fees will not be placed in the segregated account. Then the sponsors' equal contribution would move to the segregated account.

Understanding the severe constraints on the Commission's time, we would appreciate your timely consideration of this matter as we would like to begin making further plans for this event.

Thank you for your thoughtful attention to this request.

Sincerely,


Robert Schramm



December 29, 1993

Robert Schramm
Schramm, Williams & Associates
517 C Street, N.E.
Washington, D.C. 20002-5809

Dear Mr. Schramm:

This refers to your letter dated December 20, 1993, concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to a golf tournament intended to raise funds for a separate segregated fund ("SSF").

You are writing on behalf of the Western Pistachio Association's separate segregated fund, the California Pistachio Association Nut Political Action Committee ("NutPAC"). The Association wishes to hold a golf tournament on March 9, 1994, at its annual meeting, to raise funds for NutPAC. The Association wishes to solicit sponsors from its membership to help offset the costs of the tournament (e.g., course rental, food, and awards). They would be asked to contribute in various categories entailing contributions ranging from \$100 to \$5,000. These contributions to the PAC are in addition to the annual dues collected by the Association. Sponsors will pay by personal check but the sponsor or the sponsor's company may be recognized. You state that sponsors will be allowed to play in the tournament free of charge while other participants will pay a \$150 entry fee. You estimate that 60 to 70 players will play in the tournament. You state that you will contact the Association's corporate members to request permission to solicit their employees to participate in the tournament. You state that Association's members will be charged \$150 green fees, and that the funds would be deposited in NutPAC.

You note the possibility that non-members may learn of the tournament through industry discussions, by reading about the tournament in the Association's quarterly magazine sent to both members and non-members, or by hearing of the tournament at the registration desk. You ask whether non-members may "contribute" and play in the tournament. You state that, if they may contribute, you plan to use their green fees to reduce the \$5,600 golf course fee, and "[t]hen the sponsors' equal contribution would move to the segregated account." In the event that non-members may not play, you

ask whether the non-members may become members at registration time.

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. §437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c).

In addition to information pertaining to your questions about the participation of non-members, several features of your request require clarification. Responses to the following questions will provide the information required by this office.

(1) Commission records indicate that the California Pistachio Association Nut Political Action Committee is registered with the Commission and you are its assistant treasurer. The California Pistachio Association is disclosed as its connected organization. There is no FEC record of a Western Pistachio Association Political Action Committee. Please clarify which political action committee and which connected organization is involved in your proposal. Please explain the relationship of the Western Pistachio Association to these organizations. Please clarify whether the relevant organizations are incorporated.

(2) State whether the proposed "sponsors" are individual members, corporations that are members of the Association, representatives of such corporate members, individuals in the restricted class of member organizations, or other entities or organizations. Clarify the idea of payment by a personal check, stating whose accounts will be used and whether this is being done in anticipation of reimbursement to an individual by a corporate member.

(3) Please describe the criteria for becoming a member of the Association, including requirements for dues or other financial contributions. Please describe the members' rights to participate in the Association and vote. If there are different types of membership, please describe these obligations and rights with respect to each type.

(4) Please clarify which entity will receive the sponsor payments, entry fees, and other fees, and which will pay for the expenses such as course rental, food, and awards. When discussing the possibility of non-members' green fees not being placed in the SSF, clarify what you mean by the idea that "the sponsors' equal contribution would move to the segregated account." Please describe any arrangements for the payment of dues in conjunction with sponsor payments or

tournament fees.

(5) Clarify information as to how non-members would learn of the golf tournament, e.g., through industry discussions. Describe how you plan to publicize the tournament, including how it will be publicized in the Association's magazine. State the circulation of the magazine to members and to non-members.

(6) Describe the arrangements for non-members becoming members at registration time. Your description should include, but not be limited to, when registration would occur, the contents of a statement signed by the registrant to become a "member," the payment of dues at that point, and whether those not associated with the industry would become "members."

To assist the Office of General Counsel in analyzing the proposed situation, please send a copy of the Association's articles of incorporation and by-laws and any similar governing documents of the SSF.

For your information and guidance, we are enclosing a copy of 11 CFR 114.7 and 114.8 and the recent amendments to membership regulations, along with their explanation and justification. We are also enclosing copies of Advisory Opinions 1992-41 (partially overruled, i.e., as to dual criteria for membership requirement), 1992-20, 1990-4, 1989-18, and 1982-36.

Upon receiving your response to this letter, this Office will give further consideration to your inquiry as an advisory opinion request. If you have any questions about the advisory opinion process, the enclosed materials, or this letter, please contact the undersigned.

Sincerely,

Lawrence M. Noble
General Counsel

By:


N. Bradley Litchfield
Associate General Counsel

Attachments

Western Pistachio

ASSOCIATION

517 C Street, NE • Capitol Hill, DC 20002-5809 • 202-543-4455 • FAX 543-4586

January 18, 1994

Mr. N. Bradley Litchfield
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

ADR 1994-01

Re: Your December 29, 1993 Letter

Dear Mr. Litchfield:

Thank you very much for your quick response to my previous correspondence.

Per your letter (enclosed), I have provided the responses to your questions below. To assist you in reviewing my response, the numbers below correspond to the numbered questions in your letter.

(1) We apologize for any confusion that may have occurred due to the Association's name. In 1989, the California Pistachio Association changed its name to the Western Pistachio Association (WPA) to accommodate directors from states other than California. Under separate cover, we are sending the appropriate papers to reconcile this problem. Thank you for bringing this discrepancy to our attention.

The Western Pistachio Association is incorporated in the District of Columbia (see attached papers).

(2) The proposed sponsors are or will be individual members of WPA, or they will be senior management for a corporate member or partnership. Payment will be by personal check, and funds will be taken from the personal account of the individual writing the check. The individual writing the check will be informed of the prohibition against being reimbursed.

(3) There are two types of membership in the Western Pistachio Association: Regular and Associate. Regular Membership to WPA consists of any individual, partnership, corporation or other type of business entity which is in the business of producing, processing, or marketing domestic pistachios and whose residence or principal place of business is located in Arizona, California, Nevada, New Mexico, Texas, or Utah. Regular Members are expected to serve on committees when appointed, support and participate in fundraising functions, attend all regular meetings and pay dues as determined by the Board of Directors. WPA holds an annual

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meeting each year - rotating between Washington, D.C. and California. This year, the meeting is being held in Monterey, California.

Associate Membership to WPA consists of any individual, partnership, corporation or other business entity which is in any way associated with the production, processing, or marketing of domestic pistachios or any other person who is over the age of 18, of good character, and dedicated to the purposes of WPA.

The current dues structure is as follows: \$2.00/acre for growers with a \$50.00 minimum contribution; between \$1,000 and \$3,000 for processors depending on size; and \$250.00 for Associate Members.

Regular Members have voting rights; Associate Members do not.

(4) NutPAC will receive "the sponsor payments, entry fees, and other fees." NutPAC will pay for "the expenses such as course rental, food, and awards." If, under your Advisory Opinion, non-members are allowed to play, their registration fee will be used solely to pay for the rental of the golf course.

We are proposing to stretch the "one-third rule" to allow the use of non-member personal contributions in lieu of corporate funds to help off-set the cost of the course rental. However, could WPA be substituted for the corporate rule and pay up to one-third of the cost?

Below, I have listed five possible scenarios contingent on the Commission's Advisory Opinion:

- 1) An individual member or senior management corporate member employee who shows up pays \$150, by personal check, to play in the tournament. All funds go to NutPAC.
- 2) A non-member hears about the tournament through one of the examples listed below (Question #5); pays a fee to join WPA (membership fees discussed above); then pays \$150 to play in the tournament. Dues go to WPA; tournament fees go to NutPAC.
- 3) A non-member hears about the tournament and pays \$150 to play in the tournament. \$82 goes to pay green fees associated with playing in the tournament and \$68 goes into the WPA account, which is used to administer WPA. \$82 is then transferred from sponsorship funds into NutPAC account. No non-member funds go to NutPAC.
- 4) A non-member hears about the tournament and pays \$82 dollars for green fees. Money goes to pay course rental. No money goes into WPA or NutPAC accounts but is deposited in a segregated account. Payment from the segregated account goes directly to the golf course.

- 5) Members pay the course fee with a business or corporate check for \$82 and pay the NutPAC contribution, \$68, with a personal check.

(5) Non-members could hear of the tournament through discussions with WPA members or while registering at the hotel.

Also, as you noted, we will put an article in the WPA's magazine explaining the tournament, the cost, the time and date, and any restrictions on participation. WPA's magazine is sent to both members and non-members. The circulation of the magazine is approximately 1,500. We have approximately 250 members and use the magazine as a tool to recruit membership.

The tournament will also be publicized by a letter sent to all WPA members inviting their participation.

I think it is important to note that the golf tournament will take place prior to any WPA meetings. Individuals participating in the tournament will be arriving early specifically to play in the tournament. Also, we have rented the golf course for the entire morning. We will control who has access to the course. We will not allow anyone who does not conform to the Commission's final determination to participate in the tournament.

(6) Should the Commission find that non-members are not allowed to participate in the tournament, they will be told they must join WPA in order to enter the tournament. This will help increase WPA's membership. Non-members who hear about the tournament prior to arriving at the hotel will be asked to contact WPA's Membership Chairman to discuss becoming a member. They will, in turn, be instructed to register with the Membership Chairman or an alternative at the hotel prior to the tournament. Those who are unable to do so or who are unaware of this requirement prior to the day of the tournament will be instructed to come to the tournament site at the scheduled time of check-in to join WPA. Individuals will receive a receipt and proof of membership.

I have enclosed an example of the form we require members to submit.

Individuals joining WPA at the hotel or at the tournament site will be required to make the dues payment at the time they join.

And finally, you asked "whether those not associated with the industry would become 'members.'" Individuals not directly associated with the industry will not be allowed to contribute to the political action committee.

One follow-up question, can we award cash prizes to tournament winners? No prize will exceed \$75 dollars per winner.

I believe this answers the questions posed in your letter. I have also enclosed the materials you requested. Please do not hesitate to contact me should additional information be required.

Thank you again for your timely assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert I. Schramm". The signature is written in dark ink and is positioned above the printed name.

Robert I. Schramm

Enclosures

YES, I want to support the Western Pistachio Association.
Enclosed is my membership check for \$ _____ .

DUES FORMULAS:	
GROWER:	Acres _____ x \$2.00 (Minimum \$50.00)
PROCESSOR:	Up to 5 million lbs. - \$1,000 5 to 10 million lbs. - \$2,000 Over 10 million lbs. - \$3,000 (Two-year average volume)
ASSOCIATE:	(Suppliers, rebaggers, retailers, bankers, importers, etc.) - \$250

Name (Please type or print) (_____) Telephone

Employer or Company Name

Address

City and State Zip

Please make checks payable to:
WESTERN PISTACHIO ASSOCIATION
and send in the enclosed pre-addressed envelope.

Dues payments are deductible as ordinary and necessary business expenses for federal income tax purposes under Section 162 of the Internal Revenue Code. Dues are not deductible as charitable contributions.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION



THIS IS TO CERTIFY that the pages attached hereto constitute a full, true and correct copy of:

CERTIFICATE AND ARTICLES OF INCORPORATION OF
PISTACHIO ASSOCIATION AS RECEIVED AND FILED 089..

as the same appears of record in this office

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of this office to be affixed this the 3rd day of AUGUST, 1992.

Barbara E. Brown
Acting Director

James E. Kerr
Administrator
Business Regulation Administration

Assistant: PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Government of the District of Columbia
Sharon Pratt Kelly, May

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION

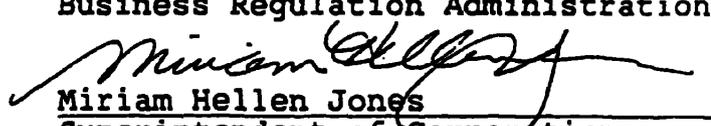

CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT
OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and
accordingly, this CERTIFICATE of INCORPORATION is hereby issued to
WESTERN PISTACHIO ASSOCIATION

as of AUGUST 9TH , 1989 .

Donald G. Murray
Director

Henry C. Lee, III
Administrator
Business Regulation Administration


Miriam Hellen Jones
Superintendent of Corporations
Corporations Division

Marion Barry, Jr.
Mayor

FILED
BY: _____
AUG - 9 1989
[Signature]

ARTICLES OF INCORPORATION
of
WESTERN PISTACHIO ASSOCIATION

A Domestic Non-Profit Corporation

TO: Department of Consumer and Regulatory Affairs, Business
Regulation Administration
Corporation Division
614 H Street, N.W., Washington, D.C. 20001

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the NON-PROFIT CORPORATION ACT (D.C. Code, 1981 edition, Title 29, Chapter 5), adopt the following Articles of Incorporation:

- FIRST: The name of the Corporation is WESTERN PISTACHIO ASSOCIATION.
- SECOND: The period of the duration of the Corporation shall be perpetual.
- THIRD: This Corporation is a non-profit domestic corporation organized under the District of Columbia Non-Profit Corporation Act. The purposes for which the Corporation is organized include, but are not limited to, providing assistance in various government related issues and activities which directly or indirectly affect domestic pistachios in national and international markets.
- FOUR: The Corporation shall have members.
- FIFTH: The Corporation shall have two (2) classes of membership, regular members and associate members. Regular membership of the Corporation shall consist of any individual, partnership, corporation or other type of business entity which is in the business of producing, processing, or marketing domestic pistachios and whose residence or principal place of business is located in either California, Arizona, New Mexico, Texas, Utah, or Nevada. Associate membership of the Corporation shall consist of any individual, partnership, corporation, or other type of business entity who is in any way associated with the production, processing, or marketing of domestic pistachios or any other person who is over the age of 18, of good character and dedicated to the purposes of the Corporation.

- SIXTH:** The manner of appointment of directors of the Corporation is set forth in the Bylaws of the Corporation.
- SEVENTH:** Provisions for the regulation of the internal affairs of the Corporation shall be specified in the Bylaws of the Corporation. No part of the funds and properties of the Corporation or of any income earned or derived therefrom shall inure to the benefits of any member, director, or private individual. In the event of dissolution of the Corporation, its assets shall be transferred to a non-profit organization as defined by the Internal Revenue Code.
- EIGHTH:** The address, including street and number and zip code, of the initial registered office and the name of the Registered Agent are:
Schramm & Associates, Inc.
517 C Street, N.E.
Washington, D.C. 20002
- NINTH:** The number of directors constituting the initial board of directors is seven (7) and names and addresses, including street and number and zip code, of the persons who are to serve as the initial directors until the first annual meeting or until their successors be elected and qualified are:

John J. Feder
President
Dole Dried Fruit and Nut Co.
7170 N. Financial Drive
Fresno, CA 93710

Ronald Khachigian
350 N. Fulgham Road
Visalia, CA 93291

Ralph S. Weber
2921 Hangar Way
Bakersfield, CA 93380

Henry O. Mollner
Pistachio Corporation of
Arizona, Inc.
3280 Hemisphere Loop #130
Tucson, AZ 85706

John H. Lake
140 Luring Drive
Palm Springs, CA 92262

William R. Koch
3426 E. Rochelle Avenue
Las Vegas, NV 89121

Joseph C. MacIlvaine
33141 E. Lerdo Highway
Bakersfield, CA 93303

- TENTH:** The names and addresses, including street and

number and zip code, of each incorporator are
listed in the N.I.C. Form 2000.

* The signatures of each Incorporator are attached.

BYLAWS
OF
WESTERN PISTACHIO ASSOCIATION
A Nonprofit Corporation

ARTICLE I

OFFICES

SECTION 1. PRINCIPAL OFFICE.

The principal office for the transaction of the business of the Corporation hereinafter "Principal Executive Office" is located in the District of Columbia. The Board of Directors (hereinafter "the Board") is granted full power and authority to change said Principal Executive Office from one location to another.

SECTION 2. OTHER OFFICES.

The Board may establish branch offices at any place where the Corporation is qualified to do business.

ARTICLE II

OBJECTIVES AND PURPOSES

This Corporation is a nonprofit corporation and is not organized for the profit or gain of any person. No part of the net earnings of the Corporation shall inure to the benefit of any member or other individual. It is organized under the Nonprofit Corporation Act of the District of Columbia. The purposes for which this Corporation is formed include but are not limited to providing assistance in various government related issues and activities which directly or indirectly affect domestic pistachios in national and international markets.

Notwithstanding any other provision of the Articles, the Corporation shall not engage in any activities that are not in the furtherance of the purposes of this Corporation.

ARTICLE III

MEMBERSHIP

SECTION 1. MEMBERS.

The Corporation shall have two (2) classes of membership, regular members and associate members.

(a) REGULAR MEMBERSHIP.

Regular membership of the Corporation shall consist of any individual, partnership, corporation or other type of business entity which is in the business of producing, processing or marketing domestic pistachios and whose residence or principle place of business is located in Arizona, California, Nevada, New Mexico, Texas, or Utah. A regular member shall serve on committees when appointed, support and participate in fund raising functions, attend all regular meetings and pay dues as determined by the Board in their sole discretion.

(b) ASSOCIATE MEMBERSHIP.

Associate membership of the Corporation shall consist of any individual, partnership, corporation or other type of business entity who is in any way associated with the production, processing or marketing of domestic pistachios or any other person who is over the age of 18, of good character and dedicated to the purposes of the Corporation.

SECTION 2. TRANSFER OF MEMBERSHIP.

No member may transfer a membership or any right arising from it. All rights of memberships cease on the member's death, removal, resignation or the dissolution of any partnership or corporate member.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. PLACE OF MEETING.

Meetings of the members shall be held at any place within or outside the District of Columbia as designated by the Board.

SECTION 2. ANNUAL MEETING.

The annual meeting of members shall be held once a year on a date chosen by the Board.

SECTION 3. SPECIAL MEETING.

Authorized persons who may call. A special meeting of the members may be called by the Board, the President, the Secretary, or five percent (5%) or more of the regular members.

SECTION 4. NOTICE OF MEMBERS' MEETINGS.

(a) General Notice Contents. All notices of meetings shall be given in accordance with this section not less than 10 nor more than 90 days before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and in the case of a special meeting, the specific purpose for which the meeting is called.

(b) Manner of Giving Notice. Notice of any meeting of members shall be given personally or by first-class mail, postage prepaid, addressed to each member either at the address of that member appearing on the books of the Corporation or the address given by the member to the Corporation for the purpose of notice. If no address appears on the Corporation's books, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail to the Corporation's principal executive office, or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail.

(c) Affidavit of Mailing Notice. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the secretary or agent of the Corporation and if so executed, shall be filed and maintained in the minute book of the Corporation.

SECTION 5. QUORUM.

(a) Percentage Required. Five percent (5%) of the regular members shall constitute a quorum for the transaction of business at a meeting of the members.

(b) Loss of Quorum. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken is approved by at least a majority of those remaining at each meeting.

SECTION 6. ADJOURNED MEETING.

Any meeting of members, whether or not a quorum is present, may be adjourned by vote of the majority of the regular members represented at the meeting.

SECTION 7. VOTING.

(a) Eligibility to Vote. Regular members as of the date determined in accordance with Section 10 of this Article shall be entitled to vote at any meeting of members.

(b) Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of directors must be by ballot if demanded by any regular member.

(c) Only Majority of Regular Members Represented at Meeting Required, Unless Otherwise Specified. If a quorum is present, the affirmative vote of the majority of the regular members represented at the meeting shall be the act of the members.

SECTION 8. WAIVER OF NOTICE OR CONSENT BY ABSENT MEMBERS.

(a) Written Waiver of Consent. The transactions of any meeting of members shall be as valid as though taken at a meeting duly held after regular call and notice if, either before or after the meeting, each person entitled to vote, who was not present, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of consent need not specify the business to be transacted or the purpose of any annual or special meeting of members. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) Waiver by Attendance. Attendance by a person at a meeting shall constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business.

SECTION 9. ACTION BY WRITTEN CONSENT WITHOUT MEETING.

General. Any action may be taken without a meeting and without prior notice if consent in writing, setting forth the action so taken, is signed by all members entitled to vote with respect to the subject matter thereof.

SECTION 10. RECORD DATE FOR MEMBER NOTICE, VOTING, GIVING CONSENTS AND OTHER ACTIONS.

To be Determined by Board of Directors. For the purposes of determining which members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take any other action, the Board may fix, in advance, a "record date," which shall be not more than 60 nor fewer than 10 days before the date of any such meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be,

notwithstanding any transfer or any membership on the books of the Corporation after the record date.

SECTION 11. PROXIES

Members shall not be entitled to vote by proxy.

SECTION 12. VOTING OF CLASSES.

Each regular member shall be entitled to cast one vote on all matters submitted to a vote. Associate members shall have no vote.

SECTION 13. RULES OF CONDUCT.

Meetings shall be governed by Robert's Rule of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation, or with law.

ARTICLE V

APPOINTMENT OF DIRECTORS

SECTION 1. NOMINATIONS AND SOLICITATIONS FOR VOTES.

Appointment by Board of Directors. At the Board meeting immediately prior to the annual meeting of the members, the Chairman of the Board shall accept nominations for director seats subject to appointment for that year. Upon the close of nominations, the Board by a majority vote shall appoint a director for each seat subject to appointment for that year.

The Secretary shall advise each member of the names of the new directors selected by a majority vote of the Board.

ARTICLE VI

DIRECTORS

SECTION 1. POWERS.

Subject to limitations of these Bylaws, activities of the Corporation shall be conducted and all corporate powers exercised under the direction of the Board. The Board may delegate management of the Corporation to any person or persons, provided that the activities shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, the Board shall have the following powers:

(a) To select and remove all officers, agents, and employees of the Corporation, to prescribe powers and duties for them as may not be inconsistent with the law, the Articles of Incorporation and these Bylaws.

(b) To conduct, manage, and control the activities of the Corporation and to make such rules and regulations therefor not inconsistent with the law, the Articles of Incorporation and these Bylaws.

(c) To adopt, make and use a corporate seal and to alter the form of such seal.

(d) To change the principal executive office or principal business office from one location to another and cause the Corporation to be qualified to do business in any other state, territory, dependency or county.

SECTION 3. NUMBER OF DIRECTORS.

The authorized number of directors shall not be less than five (5) nor more than eleven (11) until changed by Amendment of the Bylaws. However, the number of directors may never be less than five (5). Each director shall either be an individual, partner, or employee of the producer or processor of pistachios who has a financial interest in producing or causing to be produced or in processing pistachios for market. Not more than two such directors shall be persons employed by, or connected in any capacity with the same corporation, firm, partnership, association, or business organization.

SECTION 3. TERM OF OFFICE OF DIRECTORS.

The term of the six (6) initial directors named in the Articles of Incorporation shall expire one (1) year from their appointment. All other directors will be appointed for a two (2) year term. Thereafter, the term of all directors shall be for a two (2) year term.

SECTION 4. VACANCIES.

(a) Events Causing Vacancy. A vacancy on the Board shall exist due to the death, resignation or removal of any director.

(b) Resignations. Any director may resign by giving written notice to the President, the Secretary, or the Board. Unless the notice specifies a later time the resignation shall become effective immediately. If the resignation is effective at a future time, the Board may appoint a successor to take office as of the date when resignation becomes effective. No director

may resign when the Corporation would then be left with less than three (3) duly appointed directors.

(c) Vacancies Filled by Directors. Vacancies on the Board shall be filled by a regular member, approved by a majority of the Board, whether or not less than a quorum is present at the meeting appointing such director.

(d) Removal of a Director. A director may be removed with or without cause upon a majority vote of all remaining directors at a special meeting of the Board, expressly called for that purpose.

(e) No Vacancy on 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 5. PLACE OF MEETINGS.

The meeting of the Board shall be held at any place designated by the Board.

SECTION 6. REGULAR MEETINGS.

Regular meetings of the Board shall be held with call or notice on such dates as determined by the Board.

SECTION 7. SPECIAL MEETINGS.

Special meetings of the Board for any purpose may be called at any time by the President, Vice-President, Secretary, or one-third (1/3) of the directors.

Special meetings of the Board may be held upon five (5) days written notice served by Certified Mail Return Receipt Requested, first-class mail, or forty-eight hours notice given personally or by telephone or other similar means of communication. Any such written notice shall be addressed or delivered to each director at the director's address as it is shown on the records of the Corporation, or if such address is not shown on the records, the place in which the meetings of the directors are regularly held.

Notice by mail shall have been deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall have been given at the time it is delivered to the recipient. Oral notice shall be deemed to have been given at the time it is communicated to the recipient or to a person at the office of the recipient. The notice shall state the time and place for the meetings, but need not specify the purpose of the meeting.

SECTION 8. QUORUM.

A majority of directors constitutes a quorum of the Board for the transaction of business except to adjourn. Every act by a majority of the directors shall be regarded as an act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors if any action taken is approved by at least a majority of those remaining at each meeting.

SECTION 9. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE.

Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment.

SECTION 10. WAIVER OF NOTICE.

The transaction of any meeting of the Board shall be valid if a quorum is present and if either before or after the meeting each of the directors not present, signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting prior thereto the lack of notice.

SECTION 11. ADJOURNMENT.

A majority of the directors present, whether or not a quorum, may adjourn any director's meeting.

SECTION 12. ACTION WITHOUT MEETING.

Any action taken by the Board may be taken without a meeting if all the directors consent in writing to such action. Written consent shall have the same force and effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

SECTION 13. RIGHTS OF INSPECTION.

Every director will have the absolute right at any reasonable time to copy all books, records, and documents of every kind and to inspect the physical properties of the Corporation.

SECTION 14. COMMITTEES.

A majority of the Board may designate committees to serve at the pleasure of the Board. Each committee shall have those powers as designated by resolution of the Board.

The Board may appoint, in the same manner, alternate members of the same committee and may prescribe the manner in which the proceedings of any such committee shall be conducted. Unless otherwise provided, the meetings and actions of any such committee shall be governed by the provisions applicable to the meetings and actions of the Board. Minutes shall be kept of each meeting of each committee. The Chairman of the Board shall be an ex-officio member of each committee.

SECTION 15. REIMBURSEMENT OF EXPENSES.

No director shall receive any compensation of any kind, however, each director may be reimbursed for out-of-pocket expenses incurred as a result of carrying out duties as a director.

ARTICLE VII

OFFICERS

SECTION 1. ELECTION.

Officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer. The Corporation may also have, at the discretion of the Board such other officers as may be appointed in accordance with the provision of Section 3 of this Article. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

SECTION 2. ELECTION.

Officers may be members of the Corporation or may be members of the Board, or any other person. These officers shall be appointed by a majority of the Board. Officers shall serve for one year, or until their successor is named.

SECTION 3. SUBORDINATE OFFICERS.

The Board may elect, and empower the President to appoint other officers as may be required, each of whom shall hold office for such period and have such authority, and perform such duties as are provided by these Bylaws or the Board.

SECTION 4. REMOVAL AND RESIGNATION.

Any officer may be removed, with or without cause, in the same manner as the removal of a director.

Any officer may resign at any time by giving written notice to the Corporation, such resignation being without prejudice to the rights of the Corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES.

A vacancy in any office of the Corporation may be filled by any person, whether or not a member of the Corporation or Board by a majority vote of the Board.

ARTICLE VIII

RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS.

The Corporation shall keep adequate and correct books and records; minutes in written form of the proceedings of its members and board; and a record of its members, giving their names and addresses and the class of membership held by each.

All such records shall be kept at the Corporation's principal executive office.

SECTION 2. MEMBERS' INSPECTION RIGHTS.

(a) (i) Any regular member may inspect and copy the records of members' names and addresses and voting rights during usual business hours with five days' prior written notice stating a valid purpose for which the inspection rights are requested, or

(ii) Obtain from the secretary of the Corporation, on written demand and payment of charges, if any, a list of names and addresses of members who are entitled to vote for the election of directors. The demand shall state a valid purpose for which the list is requested. This list shall be made available on or before the 10th day after the demand is received.

(b) Any regular member may inspect the accounting books, records and minutes of the proceedings of the Board and committees, except records and minutes of executive sessions of the Board or any of its committees, at any reasonable time, for a purpose reasonably related to such person's interest as a regular member.

SECTION 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS.

The Corporation shall keep at its principal executive office a copy of the Articles of Incorporation and Bylaws which shall be open to inspection by the members at all reasonable times.

SECTION 4. ANNUAL REPORT TO MEMBERS.

(a) Not later than 120 days after the close of the fiscal year, the Board shall make an annual report to the regular members. The report shall contain in reasonable detail (1) assets and liabilities and principal changes thereof; (2) revenue or receipts; and (3) a summary of expenses or disbursements.

(b) The annual report shall be accompanied by the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

SECTION 5. FISCAL YEAR.

The fiscal year shall be September 1 to August 31 of each year.

ARTICLE IX

AMENDMENTS

SECTION 1. AMENDMENTS BY MEMBERS.

These Bylaws may be amended or repealed by the regular members, pursuant to Article IV, Section 7 of these Bylaws, or by written consent of these persons.

SECTION 2. AMENDMENT BY DIRECTORS.

The Board may, by a vote of a majority adopt, amend or repeal these bylaws subject to the following:

(a) The limitation on the regular members' power to adopt, amend or repeal bylaws shall apply to actions by the Board.

(b) The Board may not amend a bylaw provision fixing the minimum and maximum number of directors.

(c) The Board may not adopt or amend bylaw provisions concerning the following without the approval of the regular members: (i) increasing the terms of directors; or (ii) increasing the quorum for members' meetings.

CERTIFICATE OF SECRETARY

I, undersigned, certify that I am the presently elected and acting Secretary of WESTERN PISTACHIO ASSOCIATION, a Nonprofit Corporation, and the above Bylaws, consisting of 11 pages, are the Bylaws of this Corporation as adopted at a meeting of the Board of Directors held on _____, 1987.

DATED: _____

SECRETARY