

**CALIFORNIA CITRUS COOPERATIVE****Sunkist Growers, Inc.****GROWER MEMBERSHIP AGREEMENT - SUNKIST AND LOCAL ASSOCIATION**

The undersigned ("**Grower**") warrants that Grower produces the variety of citrus fruit on the acreage set forth below, and such production and acreage are the subjects of this Agreement:

<u>Detailed Location of Grove</u>	<u>Acres</u>	<u>Variety</u>
TEXAS/WEBSTER	2	NAVEL

Grower hereby applies for memberships in CALIFORNIA CITRUS COOPERATIVE ("**Local Association**") and in **SUNKIST GROWERS, INC.** ("**Sunkist**"). Such memberships shall continue in effect until terminated pursuant to the bylaws of Local Association or of Sunkist.

As a material part of the consideration given by Grower for memberships in Sunkist and Local Association, Grower agrees to be bound by the articles of incorporation and bylaws of Local Association and of Sunkist as now in force and as hereafter amended. This Agreement, together with such articles of incorporation and bylaws, shall constitute the membership agreements between Grower and Local Association, and between Grower and Sunkist. Without limiting the generality of the foregoing, under Sunkist Bylaw §2.3, Grower has appointed a Sunkist-licensed packer or a Local Association to pack Grower's fruit and to act as Grower's agent in the receipt and distribution of all proceeds under Sunkist Bylaws §§ 9.4(g) and 9.5(d), and the collection of capital contributions and maintenance of capital accounts under Sunkist Bylaw §10.4. Sunkist is not a guarantor of any obligation owed to Grower by any Local Association, licensed packer or anyone else as agent of Grower in this regard or otherwise. Sunkist is not, and shall not be, responsible or liable for any failure of any Local Association, licensed packer or anyone else to remit to Grower any monies delivered by Sunkist to it as Grower's agent or otherwise. Grower shall take the stated dollar amount of written notices of allocation and per-unit retain certificates distributed by Sunkist or Local Association into account as provided in 26 U.S.C. 1385(a). Grower acknowledges having read and understood notification printed on the reverse of this form, and having received separate notification of any applicable bylaw provision of Local Association pertaining to tax treatment of distributions.

With respect to the citrus fruit covered by this Agreement, Grower shall at all times comply with good agricultural practices and all laws and regulations pertaining to such practices, and Grower hereby grants Sunkist such access to Grower's books and records as Sunkist may deem reasonably necessary to enable Sunkist to confirm Grower's compliance with such practices, laws and regulations.

CITY OF REDLANDS 95-6000766

Grower's Business Name (please print or type) Grower's Soc. Sec. # or Ident. #

By: Pete Aguilar 3/20/2012 Address: P O BOX 3005

Signature of Grower or Authorized Representative Date

Attest Sam Irwin REDLANDS, CA 92373

Sam Irwin, City Clerk Zip

Pete Aguilar, Mayor Telephone: 909 798-7533

Printed Name of Grower or Authorized Representative (Area Code) Number

**ACCEPTED:**

CALIFORNIA CITRUS COOPERATIVE

Local Association

By: Keith French 6/19/12

Date

**Sunkist Growers, Inc.**

By: Jeff Mully 6/27/12

Date

**NONTRANSFERABLE JOINT MEMBERSHIP CERTIFICATE**

## NOTIFICATION AND SIGNIFICANCE OF BYLAW PERTAINING TO TAX TREATMENT OF DISTRIBUTIONS

Bylaw No. 10.11 of Sunkist Growers, Inc., effective November 1, 1967, reads as follows:

10.11 *Tax Treatment* — Every person who hereafter applies for and is accepted to membership in Sunkist and each member of Sunkist on the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to his patronage occurring after November 1, 1967, which are made in written notices of allocation or per-unit retain certificates (as defined in 26 U.S.C. 1388) and which are received by him from Sunkist will be taken into account by him at their stated dollar amounts in a manner provided in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation or per-unit retain certificates are received by him. This bylaw is effective November 1, 1967. For tax treatment for prior years refer to prior bylaw.

The effect of such Bylaw No. 10.11, as amended effective November 1, 1967, is that each member agrees to include both patronage dividends and per-unit retains issued with respect to patronage occurring after November 1, 1967, in income at their face amount for federal tax purposes in the taxable year when the member receives a written notice stating the amount of such patronage allocation. This is true even though the allocation is not paid in cash until a later year.