

October 31, 2008

Dear Allied Member:

At Allied Grape Growers' membership meetings held earlier this year, and in correspondence related to this year's election of directors, you were notified of a by-law amendment passed by the Allied board of directors at their Special Meeting held April 2, 2008. The by-law amendment concerned the re-districting and reapportionment of the association's board of directors. Subsequent to the notification, elections for the open seats on the association's board were held and the seats were filled in accordance with the by-laws.

This letter is sent for informational purposes to communicate the specific verbiage of the amendment so that you may keep it on file with your membership information & by-laws. The following excerpt from the minutes of the April 2, 2008 Special Meeting includes the amendment as follows:

WHEREAS, it has been recommended by management and advised by the association's legal counsel to amend the association's membership districts and reapportion the directors based on current membership dollar value distribution; and

WHEREAS, pursuant to the powers bestowed upon the Board in Article VIII, Section 1 of the association's by-laws which reads,

“the Board shall review the districts as described above and ascertain whether they and the number of Directors allocated to each constitute fair and equitable district representation based on the value or quantity of product delivered to the Association during the preceding fiscal year. If the Board, by a vote of two-thirds of its members, finds that any district or the number of Directors from any district, fails to reflect fair and equitable district representation, the Board shall by an affirmative vote of two-thirds of its members, reapportion the Directors or redistrict the districts.”,

the Board of Directors desires to amend Section 8.01, effectively redistricting the membership; and

WHEREAS, pursuant to Article VIII, Section 1 of the association's by-laws which reads, Number of Directors of the Corporation shall be not less than 5 and not more than 9, the exact number of which shall be fixed by a resolution duly adopted by the Board or by the members. The number of Directors so fixed by such resolution shall constitute the authorized number of the Board of Directors.”,

The Board of Directors elects to maintain the same number of directors at seven (7) representing the four amended membership districts;

THEREFORE, BE IT RESOLVED, following discussion and review of the association's districting and director apportionment, Secretary Jack Efird presented the motion to redistrict the association and reapportion the directors. Director Joseph Miller seconded the motion, and with unanimous agreement of the board members it was resolved to amend applicable parts of Section 8.01 of the association's by-laws, which define the association's districts, to read as follows:

.....For the purpose of electing Directors, there are hereby fixed and established four (4) Election Districts, designated and described as follows:

Election District No. 1:

To comprise all of state pricing districts 13 and 14 including Madera, Fresno, Kings, Tulare, and Kern Counties.

Election District No. 2:

To comprise all of state pricing districts 9 & 12 including, but not limited to, Merced, Stanislaus, Glenn and San Joaquin Counties.

Election District No. 3:

To comprise all of state pricing districts 6, 10, 11 and 17 including, but not limited to, Contra Costa, Alameda, Yolo, Sacramento and San Joaquin Counties.

Election District No. 4:

To comprise all of state pricing districts 1 through 5 including Mendocino, Lake, Sonoma, Napa and Solano Counties.

All Directors to be elected from Election Districts 1 through 3 shall be elected at the Annual Meeting of the membership of the Association, and the Director from Election District 4 shall be elected at the Adjourned Annual Meeting of the membership of the Association.....”; and

FURTHER, BE IT RESOLVED, in accordance with resolution duly adopted by the Board, the seven Board of Directors shall represent the membership in the following manner:

Four (4) Directors representing membership district 1, One (1) Director representing membership district 2, One (1) Director representing membership district 3 and one (1) Director representing membership district 4.

If you have any questions regarding this informational notice of amendment to By-law Section 8.01, please contact the Allied office. Thank you.

Sincerely,

Nat DiBuduo
President & CEO