

**AMENDED AND RESTATED
BYLAWS
OF
CENTRAL COOP**

**SECTION I
ORGANIZATION**

1.1 Name. The name of the organization shall be Central Coop (henceforth the “Co-op”).

1.2 Purposes. The purposes for which the Co-op is formed are as stated in the Articles of Incorporation.

**SECTION II
MEMBERSHIP**

2.1 Eligibility. The Co-op shall have two classes of members (each person within either class, a "Member"), Consumer Members and Worker Members. The eligibility requirements for each class are set forth in the Articles of Incorporation.

2.2 Admission. Any person eligible for membership as a Consumer Member (a “Consumer Membership”) or a Worker Member (a “Worker Membership”) in accordance with the Articles of Incorporation may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Trustees (hereinafter the “Board”).

2.3 Membership Equity Contribution; Membership Fee. New applicants for membership shall be required to pay to the Co-op a membership equity contribution in such total amount and payable in such manner as the Board of Trustees may determine from time to time. A Member's membership equity contribution shall be refundable as provided in these Bylaws. In addition, the Board of Trustees may impose, and from time to time adjust, a non-refundable membership fee.

2.4 Duration; Transferability. Except as otherwise provided in the Articles of Incorporation, a membership shall be for the life of the Member and shall be non-transferable.

2.5 Active Membership; Definition. To be deemed an “Active Member,” a Member shall be current in his or her equity contribution due to the Co-op, shall keep the Co-op informed of any changes in the Member's name, current address and other contact information and, for Consumer Members, shall patronize the Co-op at least once per year. If a Consumer Member is not an Active Member solely as a result of a failure to patronize the Co-op at least once in the past year, then such Consumer Member may regain Active Member status upon completing a purchase from the Co-op. In addition, for an Active Member to be considered to be in "good standing", he or she shall abide by these Bylaws and the policies and decisions of the Co-op and

the Board.

2.6 Voting; Eligibility for Board. Only Active Members in good standing shall be allowed to vote or be elected to serve on the Board of Trustees. Voting shall be conducted consistent with RCW 24.06.110 as it now exists or may hereafter be amended or successor statute.

2.7 Inactive Membership

(a) Consumer Members. A Consumer Member will no longer be an Active Member if he or she ceases to meet the requirements set forth in the Articles of Incorporation or these Bylaws. "Inactive" Consumer Members shall not have a vote in the selection of the Board of Trustees, amendment of the Bylaws and Articles, or in any other proposals to the Co-op membership. Such Consumer Members shall have the right to become an Active Member by complying with the conditions set forth in the Bylaws.

(b) Worker Members. A Worker Member will no longer be an Active Member if, at the end of any month, the average number of hours worked by the Worker Member over the preceding six months falls below 20 hours per week, either voluntarily or involuntarily. A Worker Member will regain Active Member status at the end of any month in which the average number of hours worked by the Worker Member over the preceding six months is 20 hours per week or more. Upon termination of a Worker Member's employment with the Co-op, his or her Worker Membership will be converted to a Consumer Membership pursuant to Section 2.10. Worker Members who are not Active Members shall not have a vote in the selection of the Board of Trustees, amendment of the Bylaws and Articles, or in any other proposals to the Co-op membership.

2.8 Rights. In addition to the right to vote and to serve on the Board and the Nominating Committee, Active Members have the right to attend meetings of the Board, to receive notice of and attend membership meetings, review minutes of the Board and Nominating Committee meetings, to obtain information concerning the actions of the Board and the Nominating Committee, and to access the books and records of the Co-op for proper purpose at any reasonable time to the extent required by RCW 24.06.160. Active Members have the right to petition to call a special meeting of Members pursuant to Section 3.2 below, and to approve amendments to these Bylaws and the Articles of Incorporation as described in these Bylaws. All rights and responsibilities of Members are subject to the Bylaws as they may be amended from time to time, and to policies and decisions of the Co-op or the Board.

2.9 Member Conduct. Our Co-op values the cooperative spirit and expects the same of its individual Members. To that end, the Co-op expects respectful behavior from its Members to each other and to staff, employees, customers, and all others at all times while on Co-op premises. Accordingly, while on the Co-op premises, including its website and phone lines, Members shall act reasonably at all times. For the purposes of this part, conduct that is not reasonable shall include, but not be limited to, actual or threatened violence, battery, assault, harassment, and/or physical or verbal abuse, towards any Co-op employee, Member, customer, or other individual lawfully permitted on Co-op premises.

2.10 Termination of Membership.

(a) Consumer Members. A Consumer Member may terminate his or her membership voluntarily at any time by written notice to the Co-op. The Board may terminate the membership of any Consumer Member who has been inactive for twelve (12) years. Membership may be terminated involuntarily by the Board for cause. If a Consumer Membership is terminated for cause, the Board will provide the Consumer Member with written notice of the reasons for the termination, along with a refund of the Consumer Member's equity in the Co-op, as described in Section 2.11. Cause may include but is not limited to the Board's determination in its sole discretion that the Consumer Member engaged in intentional or repeated violation of any provision of the Co-op's Bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-op or its Members, willful obstruction of any lawful purpose or activity of the Co-op, or breach of any contract with the Co-op.

(b) Worker Members. A Worker Membership in the Co-op may be terminated voluntarily or involuntarily for cause. Upon termination of the Member's employment by the Co-op, his or her Worker Membership shall also be automatically terminated, and the Worker Membership will automatically be converted into a Consumer Membership. An employee's status as a Worker Member does not confer upon the Worker Member any right with respect to a continuation of employment by the Co-op. If a Worker Membership is terminated for cause, the Board will provide the Worker Member with written notice of the reasons for the termination, along with a refund of the Worker Member's equity in the Co-op, as described in Section 2.11. Cause may include but is not limited to the Board's determination in its sole discretion that the Worker Member engaged in intentional or repeated violation of any provision of the Co-op's Bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-op or its Members, willful obstruction of any lawful purpose or activity of the Co-op, or breach of any contract with the Co-op. A Worker Member wishing to voluntarily leave the Co-op must submit written notice to Co-op management in accordance with the Co-op's policies.

2.11 Return of Membership Equity Contribution; Return of Other Equity. A Member's membership equity contribution shall be returned upon termination of membership in the Co-op, under terms determined by the Board, provided that the Board has determined that the membership equity contribution is no longer required by the Co-op. With regard to any other equity contributed by a Member to the Co-op, in the event the membership of any Member shall terminate for any reason whatsoever, such Member shall not thereupon become entitled to demand or receive any interest in the property or assets of the Co-op, but shall be entitled only to receive payment of his or her book credits, capital funds or allocated reserves as and when payment thereof would have been received had he or she remained a Member.

2.12 Unclaimed Property. All unclaimed patronage dividends or distributions or funds payable on redeemed book credits, capital funds and allocated reserves shall revert to the Co-op at the discretion of the Board at any time after one year from the end of the fiscal year during which such distributions or redemptions have been declared.

2.13 Non transferability. Membership rights and Member equity may not be transferred in any manner.

SECTION III MEMBER MEETINGS

3.1 Annual Meeting. A membership meeting shall be held each year as determined by the Board. The purpose of such meetings shall be for the Members to hear reports on operations and finances, to review issues that vitally affect the Co-op, to elect Trustees and members of the Nominating Committee and to transact such other business as may properly come before the meeting. The annual meeting of Members need not involve a physical assembly at a particular geographic location if the meeting is held by means of electronic or other remote communications with Members, in a fashion that the Board determines will afford Members a reasonable opportunity to read or hear the proceedings substantially concurrently with their occurrence, to vote by electronic transmission on matters submitted to a vote by members, and to pose questions of and make comments to management, subject to such procedural guidelines and limitations as the Board may adopt. Members participating in an annual meeting by means of electronic or other remote communications technology in accordance with any such procedural guidelines and limitations shall be deemed present at the meeting for all purposes under RCW Chapter 24.06.

3.2 Special Meetings; Member Petitions. Special meetings of the membership may be called by the Board. Special meetings may also be called pursuant to a written petition of the Members to hold a special meeting, which petition may not be provided electronically. A petition from Members must be signed by at least 5% of the Active Members who have been Active Members for at least ninety (90) days. The petition must specifically state the topic of the special meeting. A 60-day period for signature collection is allowed, and the petition remains valid for presentation to the Board for 90 days from start of signature collection. No business shall be conducted at that special meeting except that specified in the petition or notice of meeting.

3.3 Notice of Meetings; Electronic Notification. Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Co-op and on its website and communicated to Members not less than ten nor more than fifty days before the date of the meeting. Notice shall be delivered personally, by mail or by electronic transmission, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each Active Member entitled to vote at such meeting. The Co-op may (i) post information or materials on an electronic network not less than thirty days prior to the meeting at which such information or materials will be considered by Members; and (ii) delivering to those Members who are eligible to vote a notification, either in a meeting notice or in such other reasonable form as the Board may specify, setting forth the address of the electronic network at which and the date after which such information or materials will be posted and available for viewing by Members eligible to vote, together with comprehensible instructions regarding how to obtain access to the information and materials posted on the electronic network. The Co-op shall, at its expenses, provide a copy of such information or materials in a written or other tangible medium to any Member who is eligible to vote and so requests.

3.4 Voting. Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Co-op and on its website, and shall be delivered not less than 10 days prior to the end of the election period. Unless otherwise stated in the Articles of Incorporation, or these Bylaws, or required by law, all questions shall be decided by a vote of a majority of the Members voting thereon. Proxy voting

is not allowed.

3.5 Quorum. At any meeting of the Members considering the adoption of a proposal (other than amendments to the Articles of Incorporation) which is required by the provisions of Chapter 24.06 to be adopted by at least two-thirds of the votes cast by Active Members present at the meeting in person or by mail, or by electronic transmission, a quorum shall be 5% of the total votes which Active Members are entitled to cast in person or by mail, or by electronic transmission. For any other vote of Members considering the adoption of a proposal which requires a simple majority of the votes cast by Active Members present at the meeting in person or by mail or by electronic transmission, a quorum shall be 5% of the total number of Active Members.

SECTION IV BOARD OF TRUSTEES

4.1 Composition. The Board shall be composed of up to eleven voting Trustees and any number of non-voting ex-officio trustees, up to a total number of Trustees not to exceed 15, from among the Active Members of the Co-op. The Board shall consist of the following:

- (a) Three Trustees who are Worker Members (the “Worker Trustees”);
- (b) Three Trustees who are Consumer Members (the “Consumer Trustees”);
- (c) The chief executive of the Co-op (the “Executive”), who shall be appointed by the Board and be a voting ex-officio Trustee of the Board (the “Executive Trustee”); and
- (d) Two additional officers of the Co-op who shall be appointed by the sitting members of the Board, are Consumer Members and shall be voting ex-officio Trustees of the Board (the “Appointed Trustees”).

In addition, if the Co-op acquires another entity, or the assets of another entity, by way of a merger, consolidation, arrangement, share or membership exchange, asset purchase or other business combination, then the Board may appoint up to two additional officers of the Co-op from the former membership or ownership of any one acquired entity, and up to six total additional officers of the Co-op from the former membership and ownership of all such acquired entities, and such officers may, at the sole discretion of the Board, be either voting or non-voting ex-officio Trustees of the Board (the “Provisional Trustees”); provided that no more than two Provisional Trustees may be voting ex-officio Trustees at any time. The term of the Provisional Trustees will be determined by the Board, but in no event may the term extend beyond one year, and the Board’s power to appoint a Provisional Trustee will expire upon the first annual membership meeting following the third anniversary of such a merger or acquisition. Notwithstanding the foregoing, the Board may not appoint any voting Provisional Trustees at any time when the number of Trustees elected by Members (e.g., Worker Trustees and Consumer Trustees) is less than or equal to the number of Trustees appointed by the Board (e.g., the Executive Trustee, Appointed Trustees and Provisional Trustees).

This Bylaw shall not have the effect of shortening the term of any incumbent Trustee even if the number of Trustees exceeds eleven. No direct report to the Executive shall be permitted to serve as a Trustee. Members of any single nuclear family or of the same household

may not serve on the Board at the same time.

4.2 Nominating Committee; Nominating Petitions.

(a) Powers and Duties. The "Nominating Committee" shall report directly to the Board, although the Board may govern the Nominating Committee only in such a manner as does not impede a fair nominating process on behalf of the full membership. The exclusive powers and duties of the Nominating Committee shall be to recruit candidates for the Board of Trustees and the Nominating Committee and oversee the election process as herein provided. The Nominating Committee shall nominate the most qualified candidates with a high probability of excellence while striving for a contested election; provided that no more than two candidates shall be nominated for any open position. The Nominating Committee shall ensure that the nomination and election processes are carried out in a fair and timely manner and shall work year-round, beginning recruitment soon after a Board election. The Nominating Committee shall be assured a budget, approved by the Board, sufficient to carry out its duties.

(b) Composition. The Nominating Committee shall consist of three members as follows:

- (i) one member of the Board appointed by the Board who will act as the Nominating Committee Chair (the "Nominating Committee Chair");
- (ii) one member elected from the Consumer Members (the "Consumer Member Representative");
- (iii) one member elected from the Worker Members (the "Worker Member Representative").

The term of office for the Nominating Committee Chair, the Consumer Member Representative and the Worker Member Representative will be one year. No Member may serve more than 10 total years on the Nominating Committee.

(c) Terms and Elections. Candidates for the Board and for the Nominating Committee must be nominated by the Nominating Committee or by petitions signed by 2.5% of the Active Members, which petition may not be provided electronically. Petitions must be submitted to the Nominating Committee at least ninety-five days before the date of the annual meeting. To be valid, any such petition may not include signatures dated more than 60 days before the date of submission to the Nominating Committee and may not include the signature of any Member whose period of Active Membership did not span the entire 60 day period before the date of submission of the petition to the Nominating Committee. The Consumer Member Representative, Worker Member Representative and Trustees shall be elected by Members at the annual membership meeting by receiving a majority (greater than 50%) favorable votes out of the total number of ballots cast for the applicable Trustee or Nominating Committee position (while requiring a quorum as defined in Section 3.5, at a minimum). If the number of candidates who receive a majority of favorable votes is less than the number of open Board or Nominating Committee seats, not all seats will be filled.

(d) Vacancies and Removal. The term of office of a Nominating Committee member may be terminated prior to its expiration in any of the following ways: (1) voluntarily by a Nominating Committee member upon notice to the Co-op; (2) automatically upon terminating of membership in the Co-op; (3) automatically upon the termination of a Worker Member

Representative's Worker Membership; (4) automatically upon the termination of a Consumer Member Representative's Consumer Membership; (5) a Nominating Committee member may be removed by the decision of 2/3rds of the Board for conduct contrary to the Co-op, failure to follow Co-op policies, or an inability or refusal to perform the committee's duties and responsibilities; and (6) by action at a meeting of Members whenever the best interest of the Co-op would thereby be served. In the event that the Nominating Committee is unable to perform its duties due to the loss of Nominating Committee members, the Board shall appoint Member volunteers to the Nominating Committee. The Board shall inform the Members in a timely manner of any such action.

4.3 Terms and Elections. Elections of Trustees by the Membership shall occur annually, in a manner prescribed by the Board. Elections for the Worker Trustees shall occur on the same schedule as for Consumer Trustees. Worker Trustees and Consumer Trustees shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Worker Trustees and Consumer Trustees are elected each year. The Appointed Trustees and Provisional Trustees (if any) shall each serve a term of one year. No Trustee may serve more than 10 total years on the Board as an elected or appointed Trustee, except that any service as a Trustee while the Executive of the Co-op will not count towards the 10 year limit. The President will be appointed by the Board with a term of three years.

4.4 Powers and Duties. Except for matters for which Member voting is required by RCW Chapter 24.06 or these Bylaws, (i.e., amendment of the Articles of Incorporation, amendment of these Bylaws, approval of a merger or consolidation, approval of the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Co-op or approval of the voluntary dissolution of the Co-op) the Board shall have full power to govern the Co-op, including, but not limited to, hiring the Executive and evaluating management performance, establishing compensation, if any, for the Board, adopting and revising from time to time policies and procedures not inconsistent with the Articles of Incorporation and these Bylaws, and assuring that the Purpose of the Co-op is carried out. Separation from the Board for any reason requires continued confidentiality on all matters involving the Co-op until there has been general public disclosure or unless it is clear that such information is a matter of public record or common knowledge.

4.5 Vacancies. Any vacancy among Trustees elected by the Members may be filled by appointment by the Board. A Trustee so appointed shall complete the pertinent term. A vacancy in a Worker Trustee position shall be filled by appointment of a Worker Member, and a vacancy in a Consumer Trustee position shall be filled by appointment of a Consumer Member.

4.6 Removal. A Trustee may be removed by the decision of 2/3 of the remaining Trustees for conduct contrary to the Co-op, failure to follow Board policies, or an inability or refusal to perform the Trustee's duties and responsibilities. A Trustee will also be removed by the Board in response to a petition demand if the petition achieves at least a 2/3rds vote of a 5% quorum of Active Members. If at any time a Consumer Trustee ceases to be a Consumer Member, then the Consumer Trustee will automatically be removed from the Board. If at any time a Worker Trustee ceases to be a Worker Member, then the Worker Trustee will automatically be removed from the Board.

4.7 Meetings. The Board shall hold regular meetings as established by the Board. Special meetings may be called by or at the request of the Board Chair or a simple majority of

Trustees. Meetings will be open to the membership except when executive session is officially called for confidential or proprietary matters including, but not limited to: labor relations or personnel issues, contract negotiations, discussion of strategic goals or business plans, the disclosure of which would adversely impact the Co-op's position in the marketplace, and/or discussion of a matter that may, by law or contract, be considered confidential.

4.8 Notification. Notice of regular meetings shall be deemed sufficient if a schedule is developed and notice is conspicuously posted on the Co-op premises and on its public website at least seven (7) days prior to the regular meeting. All trustees shall be notified, in writing (or electronically) of changes to the regular meeting schedule at least ten (10) days in advance. The time and place of all special meetings shall be posted conspicuously on the Co-op premises and on its public website not more than one day after calling of the meeting.

4.9 Action without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken by written or oral action affirmed by a consensus of Trustees minus one, provided reasonable effort is made to contact all Trustees. A record of any such action shall be recorded in the minutes of the next Board meeting. The action is effective when affirmed by all of the Trustees, unless a different effective time is provided in the action.

4.10 Quorum. A majority of the current Trustees shall constitute a quorum, and no decisions will be made without a quorum. In the event the Board drops below a quorum, the Nominating Committee will appoint trustees to achieve a quorum.

4.11 Conflicts of Interest. Trustees shall be under an obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Trustees having such a conflict shall remove or recuse themselves from discussion and decision of the matter, unless otherwise determined by the Board. Trustees who are employees of the Co-op shall recuse themselves from discussion and decision concerning the compensation of the Executive. If a Worker Trustee is a member of a labor union, such Worker Trustee shall recuse themselves from discussion and decisions concerning any matter relating to collective bargaining with that labor union.

4.12 Officers. The officers of the Co-op shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board from the staff. The officers of the Co-op will be appointed for a term of three years, unless otherwise determined by the Board. The President, and any other officer of the Co-op, will have no power over the Board. The Board may elect as officers two Appointed Trustees and up to six Provisional Trustees; provided that no more than two Provisional Trustees may be voting ex-officio Provisional Trustees. The Board may also appoint such other officers and assistant officers as it may deem necessary. In addition to the officers of the Co-op, the Board may appoint or elect from the Trustees such officers of the Board as it deems necessary, which will include a Board Chair and Vice Chair. The Board Chair will preside over meetings of the Board, and the Board Chair may call meetings of the Board at any time for any purpose or purposes. The Board Chair may not chair a committee of the Board. The Executive Trustee may not serve as the Board Chair or Vice Chair, or chair a committee of the Board.

4.13 Indemnification. The Co-op shall indemnify and reimburse each present, past

and future Trustee for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Trustee. Such indemnification shall be made only if it is determined by the Board that the Trustee acted in good faith in the reasonable belief that his or her action was in the best interests of the Co-op, or as otherwise allowed by law.

SECTION V PATRONAGE DIVIDENDS

5.1 Patronage Dividends. In accordance with the Articles of Incorporation, the Co-op shall return the Co-op's net distributable surplus to its Members annually as a patronage dividend, subject to the provisions of this Article V. The Co-op patronage shall be calculated: (i) for active Consumer Members' patronage dividends, in proportion to their purchases from the Co-op during the year, and (ii) for active Worker Members' patronage dividends in proportion to their hours worked (inclusive of overtime) for the Co-op during the year, both subject to the provisions of this Article V and the Articles of Incorporation.

5.2 Annual Determination. The Board of Trustees shall decide after the close of the Co-op's fiscal year whether a net distributable surplus exists for that year, how and when to distribute patronage dividends, and any other related matters, based on the Articles of Incorporation and the Board's policies.

5.3 Payment and Compliance. The Co-op shall pay patronage dividends within the time frames provided in, and according to the Internal Revenue Service Code and Treasury Department regulations to qualify for income tax deductions for the Co-op. The Co-op may distribute patronage dividends in cash, merchandise credits, or book credits evidenced by a qualified written notice of allocation or a non-qualified written notice of allocation as defined in 26 U.S.C. Section 1388, other property, or any combination of these methods as the Board of Trustees may determine from time to time. Any patronage dividend distributed as a book credit and evidenced by a qualified written notice of allocation or a non-qualified written notice of allocation shall be designated as such by the Board in accordance with the provisions of 26 U.S.C. Section 1388. Any part of a patronage dividend that the Board elects not to pay in cash, merchandise credits or other property and pays in the form of a book credit is called the "retained patronage dividend."

5.4 Application of Retained Patronage Dividend. The Board of Trustees may apply any part of a Member's retained patronage dividend to cover that member's unpaid membership dues or capital contributions for that year and future years. The Co-op shall hold the retained patronage dividends in revolving patronage dividend accounts in the names of the receiving Members, and may apply the retained patronage dividends toward the Co-op's capital needs. Members will not accrue interest or other monetary return on their retained patronage dividends, and the same shall be nontransferable except as provided otherwise in the Articles of Incorporation. The Co-op shall be entitled to offset against retained patronage dividend accounts the amount of any losses subsequently sustained by the Co-op, in such manner as the Board may reasonably determine.

5.5 Repayment of Retained Patronage Dividends. Subject to the revolvment cycle set in the Articles of Incorporation, the Co-op may, at any time, pay some or all of the retained

patronage dividends to qualifying Members if the Board of Trustees decides the funds are no longer required by the Co-op; provided that if any Member to receive a retained patronage dividend has made an equity contribution lower than the current amount of equity contribution required by the Board for new Members, then the retained patronage dividend must first be applied to the Member's equity contribution until it reaches the current required equity contribution for new Members. If a Member's equity contribution is equal to the current required equity contribution for new Members, then any amount of retained patronage dividends to be received by that Member will be held by the Co-op for the revolvment cycle set in the Articles of Incorporation. Members will receive retained patronage dividends in the order of the oldest outstanding amounts on a pro rata basis from these amounts. If the Co-op dissolves as a corporation, it shall pay retained patronage dividends to Members in the order of priority specified in the Articles of Incorporation. If the remaining funds are insufficient to repay all retained patronage dividends, Members will receive retained patronage dividends in proportion to their revolving account balances at the time of dissolution. Retained patronage dividends are available at all times to pay amounts otherwise due and payable to the Co-op. The Board of Trustees may in its discretion pay retained patronage dividends to qualifying Members in cash, as merchandise credits, or any combination of cash and merchandise credits. The Board may in its discretion establish the terms and conditions governing the issue and use of merchandise credits, including any period within which merchandise credits must be used or forfeited.

5.6 Unclaimed Property. Pursuant to RCW 23.86.160 which the Co-op has elected to apply to it pursuant to RCW 24.06.032, all unclaimed patronage dividends or funds payable on redeemed retained patronage dividends, book credits, capital funds or allocated reserves shall revert to the Co-op, at the discretion of the Board at any time after one year from the end of the fiscal year during which such distributions or redemptions have been declared.

5.7 Treatment of Nominal Amounts. The Board of Trustees may exclude from distribution any patronage dividend that is so small that it does not justify the cost of distribution. These nominal amounts may not be distributed at any time to other members.

5.8 Tax Provision. If the Co-op distributes part of its net distributable surplus as a patronage dividend, and then discovers it cannot deduct some part of the same as a patronage dividend under the Internal Revenue Code and applicable regulations, then the Co-op and its Board of Trustees deem that all of the patronage dividend declared shall come from earnings or income that does qualify for a deduction under the revenue laws. This designation shall occur regardless of whether the Board adopted a resolution or act that makes specific reference to the source of revenues for the dividend.

5.9 Tax Consent. Each person who hereafter applies for and is accepted to membership in the Co-op, and each Member of the Co-op on the effective date of this bylaw who continues as a Member after such date shall, by such act alone, consent and agree that the amount of any distributions with respect to his or her patronage which are made in written notices of allocation (as defined in 26 USC 1388(b)) will be taken into account by him or her at their stated dollar amounts in the manner provided in 26 USC 1385(a)-(b) in the taxable year in which such written notices of allocation are received.

5.10 Consent of Members. By obtaining or retaining shares in the Co-op, each Member consents to his or her unclaimed patronage rebate being payable as a charitable

donation in the member's name to an established non-profit foundation or fund operated by or on behalf of the Co-op or, if no such fund or foundation exists, to another charitable organization according to a process determined by the Board at its discretion.

SECTION VI AMENDMENTS

6.1 Subject to Section 6.2 below, these Bylaws may be amended at any regular or special meeting of the membership called for that purpose by a two-thirds (2/3rds) vote of the Active Members present in person or by mail or by electronic transmission at such meeting; provided, however, that if the total vote shall be less than 5% of the total Active Members, then the proposed amendments shall fail of adoption.

6.2 The Board may, in its sole discretion, amend these Bylaws to make revisions of a typographical, grammatical, clerical or administrative nature; provided that no such revision may be made that would substantially affect or impair the rights of any Member without a Member vote as required by Section 6.1.

6.3 In the event that any provision of these Bylaws is determined to be invalid or unenforceable under any statute or rule of law and the Board determines that such invalidity or unenforceability is a material risk to the Co-op, then the Board may amend the Bylaws to conform to such statute or rule of law; provided that the Board shall present any such amendment to the Members for approval at the first reasonable opportunity.