TAKOMA PARK - SILVER SPRING COOPERATIVE, INC.

BYLAWS

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TPSS Cooperative, Inc.

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ARTICLE 1: Organization

1.1 NAME

The name of this organization is the Takoma Park - Silver Spring Cooperative, Inc. (hereinafter “TPSS Co-op”).

1.2 LEGAL STATUS

TPSS Co-op is a Maryland for-profit corporation that operates on a cooperative basis and otherwise conforms to the requirements of the Maryland Consumer Cooperative Act.

1.3 PURPOSE

TPSS Co-op’s purpose is to serve members’ and community needs by providing an affordable alternative source of wholesome food, high quality products, and community resources in an atmosphere of fairness and mutual respect among members, staff and customers, for the primary and mutual benefit of its members.

1.4 DURATION

TPSS Co-op is established “in perpetuity.”

1.5 OFFICES

The principal office of TPSS Co-op is located at 201 Ethan Allen Avenue, Takoma Park, MD 20912.

1.6 FISCAL YEAR

The fiscal year shall run annually from July 1 to June 30 or as determined by the Board of Representatives (hereinafter “Board”).

ARTICLE 2: Membership

2.1 ELIGIBILITY

A. Membership in TPSS Co-op is voluntary and open to all interested persons who do not have interests adverse to TPSS Co-op (as defined in Article 2.5(C): Termination). TPSS Co-op will not discriminate on the basis of social or political beliefs, race, religion, age, gender, disability, sexual orientation or marital status.

B. Each member is required to pay the capitalization contribution (or make payments pursuant to an authorized payment plan).

2.2 RIGHTS

A. All members who have capitalized (or are making payments pursuant to an authorized payment plan) are eligible to:

1. Run for, and serve on, the Board of Representatives.

2. Cast one vote on any issue brought to the membership for a vote.

3. Receive all discounts and patronage dividends made available to members pursuant to these bylaws and the Policy Register of TPSS Co-op.

4. Pursuant to procedures established by the Board, members may designate persons in the same household as a “household shopper,” with household being defined as persons residing at the same address where food purchases are shared. Household shoppers may receive member discounts when they shop at TPSS Co-op stores on behalf of the members that designated them. However, household shopper status shall not confer any other rights of membership, including, for example, voting rights and board eligibility. Household shoppers may participate on TPSS Co-op committees, but participation shall not confer voting rights.

5. Participate in all approved volunteer activities.

B. The following issues shall be submitted to the membership for approval according to the procedures laid out in these bylaws: membership capitalization amount, amendments to articles of incorporation, amendments to bylaws, name change, dissolution of TPSS Co-op, moving TPSS Co-op, and election of the Board of Representatives. In addition the membership is responsible for determining guiding principles under which the Board sets the policies which are implemented by the General Manager.

2.3 DUTIES

A. All members have the duty to pay their capitalization contribution (or make payments pursuant to an authorized payment plan) in accordance with Article 3.

B. All members have a duty to provide TPSS Co-op with their current email and postal addresses, and phone number when joining and to notify TPSS Co-op of any change of their contact information within 45 days of such a change. Any failure to notify TPSS Co-op of a change of contact information pursuant to this Article 2.3.B shall release TPSS Co-op from its duty to notify the member(s) of any regular or special meeting or any vote by the general membership to be conducted by ballot or otherwise.

2.4 RIGHT TO INFORMATION

All members in good standing shall have the right to inspect all financial records, meeting minutes and corporate documents of TPSS Co-op at any reasonable hour following written notice to the Board of Representatives. The Board reserves the right to restrict access to personnel records, contract negotiations, or specified documents to protect the legal integrity of TPSS Co-op.

2.5 TERMINATION

A. Voluntary Termination: A member may, at any point, relinquish her/his membership in TPSS Co-op by written request.

B. Involuntary Termination:

1. Any time one of the following conditions is satisfied, a member's membership shall be terminated and the members shall lose all rights given to members under these bylaws:

a. Failure to pay the full amount of their capital contribution, or to follow a payment plan.

2. The Board or its designee must notify the member in writing of the impending termination. Notice must be given at least ten (10) days prior to a

termination, unless the member fails to satisfy the requirements of Article 2.3(B) (duty to provide TPSS Co-op with correct address), in which case TPSS Co-op will make reasonable efforts to locate the member and, failing to do so within sixty (60) days, the membership shall terminate automatically and any member capital contributions shall revert to TPSS Co-op.

C. Termination for Cause:

1. If a member willfully takes an action or actions harmful to the business or organizational interests of TPSS Co-op, the Board may, at its discretion, vote to terminate the membership of that member. The Board shall provide written notification to the membership of a decision to terminate an individual membership at least four (4) weeks prior to the general Membership Meeting, by United States mail to the address on file with TPSS Co-op.

2. Any member may, by following the procedures in Article 5.4 place the termination issue on the agenda for review by the membership. If notice of the termination is given less than four weeks prior to the meeting, the procedures in Article 5.4 need not be followed to place the termination issue on the agenda.

ARTICLE 3: Capital Contributions

3.1 OBLIGATIONS AND PROCEDURES

A. Each member is required to contribute to the capital needs of TPSS Co-op.

B. Only persons age 18 or older may capitalize in TPSS Co-op, unless a waiver is authorized by the Board or its designee.

C. The amount of capitalization will be approved by the Board and the membership. Voting by members shall be conducted by ballot.

D. The Board or its designee shall develop and implement a payment plan to enable persons who cannot afford to pay the full amount of the capitalization contribution upfront to become members by agreeing to pay the amount of the capitalization contribution over a longer period of time pursuant to a payment plan. Individuals current on their payments according to the payment plan will receive all of the rights of membership.

E. TPSS Co-op is obligated to keep records of all contributions made to TPSS Co-op by each member.

F. Refund of Capitalization:

1. When a member declares that he/she no longer wishes to remain a member of TPSS Co-op, or is terminated involuntarily or for cause, TPSS Co-op, if requested in writing, will refund the member's capital contribution. However TPSS Co-op reserves the right to pay back the capital contribution in installments, subject to the Board's determination of TPSS Co-op's ability to pay. All refunds on capital contributions must be requested within three (3) years of relinquishing membership in TPSS Co-op, or of being involuntarily terminated. Failure to request a refund within three (3) years releases TPSS Co-op of its obligation to repay the former member their capital contribution. No interest will accrue to the member on any funds given to TPSS Co-op as a capital contribution.

G. Unclaimed Capital:

1. Any unclaimed amounts of investment capital entitled to redemption, including preferred shares and patronage dividends, may be forfeited to TPSS Co-op, if all of the following conditions are met:

a. No earlier than three (3) years after the funds are first made available to their owners, the Board declares the funds forfeited to TPSS Co-op unless claimed by the date specified in paragraph (b).

b. After the declaration under paragraph (a), TPSS Co-op gives notice that states that the funds shall be forfeited if not claimed by a specific date.

c. The date specified in the notice under paragraph (b) is a business day at least sixty (60) days after the date of mailing of the notice.

d. The notice under paragraph (b) is mailed to the last-known address of each owner, as contained in TPSS Co-op records.

ARTICLE 4: Distribution of Net Income/Patronage Dividends

4.1 ALLOCATION TO MEMBERS

In order to assure that it will operate on a cost basis related to its transactions with its members, TPSS Co-op shall allocate and distribute to its members its net savings realized from business done with them in such a manner as to qualify as patronage dividends within the meaning of federal income tax law. Members shall retain the right to waive, in whole or in part, any patronage dividends to which they may be entitled.

4.2 DISTRIBUTABLE NET SAVINGS

Distributable net savings may be reduced by such reasonable reserves for necessary business purposes as may be determined by the Board. In determining and allocating distributable net savings, TPSS Co-op shall use a single allocation unit except to the extent that it shall, subsequent to the adoption of these bylaws, engage in any new and distinct line of business.

4.3 BASIS OF ALLOCATION

Distributable net savings shall be allocated to each member in the proportion that his or her patronage bears to the total of all member patronage during the fiscal year. Patronage shall be understood to mean goods and services purchased from TPSS Co-op and shall be measured in terms of its dollar amount.

4.4 DISTRIBUTION AND NOTICE

A. Patronage dividends shall be evidenced by written notices of allocation delivered to recipient members on or before the 15th day of the ninth month following the close of the fiscal year. Written notices shall state the dollar amount of the allocation which constitutes a patronage dividend within the meaning of federal tax laws. All notices, except those subject to Article 4.8 below, shall be accompanied by checks in an amount determined by the Board which must be at least twenty percent (20%) of the total allocation. Any allocations of such a nominal amount that do not justify the expenses of distribution may, as determined by the Board, be excluded from distribution provided that they are not then or later distributed to other members.

B. If TPSS Co-op exercises due diligence in notifying any member or former member of retired or refunded patronage checks and if the member or former member fails to claim the retired or refunded patronage checks or equity contributions within three (3) years after said checks or contributions become payable, then the funds owed to the member or former member will be deemed abandoned and revert back to TPSS Co-op, unless remitted to the state as required by law.

4.5 CONSENT OF MEMBERS

By obtaining or retaining membership in TPSS Co-op, each member shall thereby consent to take into account, in the manner and to the extent required by Section 1385 of the Internal Revenue Code, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received.

4.6 RETAINED AMOUNTS

Patronage dividends not currently distributed by check shall be credited or charged to revolving capital accounts in the names of the recipient members. Retained patronage dividends shall accrue no dividends or interest, and shall not be transferable or assignable except with the express written consent of TPSS Co-op. TPSS Co-op shall have a first lien on retained patronage dividends for amounts otherwise due and payable to TPSS Co-op by the member. TPSS Co-op may, at any time after such amounts are due and payable for thirty (30) days, offset such amounts against retained patronage dividends to the extent such amounts may exceed accumulated payments for shares. Such offset may not be affected by the member or by anyone acting in the right of the member.

4.7 REDEMPTION

Retained patronage dividends that are no longer needed for capital purposes of TPSS Co-op shall be redeemed in such amounts and at such times as is determined by the Board. Retained patronage dividends of particular members may be redeemed at the discretion of the Board upon the death of the member or under other compelling circumstances. At that time, said retained patronage dividends shall be redeemed only in the order of the oldest outstanding amounts and only at a ratable basis among such amounts for each fiscal year, except that redemptions may be made payable only to members who are then in Good Standing or become so within a stated period of time. Retained patronage dividends shall be redeemed at their carrying value on the books of TPSS Co-op or their net book value, whichever is lesser.

4.8 ALLOCATION OF NET LOSS

In the event TPSS Co-op shall incur a net loss in any fiscal year, such loss may be charged against retained savings or other unallocated member equity account. If the net loss exceeds such amounts, or in any event if the Board so determines, the amount of such loss may either be carried forward to offset net savings of subsequent fiscal years or allocated to members in the same manner as for positive net savings except that such allocation shall not exceed the total of invested capital. Any such allocated net loss shall be charged first against retained patronage dividends of prior fiscal years and then against patronage dividend allocations of subsequent fiscal years. Allocated net losses which are not so offset may be charged against the carrying value of share only upon termination of membership. Allocated net losses shall not otherwise be assessed or collected from members.

ARTICLE 5: Meetings of Members

5.1 SCHEDULED MEETINGS

The regularly scheduled meetings of TPSS Co-op membership shall be held semi-annually as set by the Board. At one meeting, the Board will present the annual report described in Article 9. The other meeting is to conduct any other business the Board deems necessary. Any other TPSS Co-op business may be conducted at these meetings. The Board will set the time and place of the meetings.

5.2 ADDITIONAL MEETINGS

The Board shall set additional membership meetings during each year as needed.

5.3 SPECIAL MEETINGS

Special meetings of the membership can be called at any time by the Board. The Board shall also call a special meeting upon written request of 10% of the members that states the specific business to be brought before the meeting. The Board shall set the time and place for the meeting within two weeks of receiving a request. The meeting shall take place within 5 weeks of the receipt of the request. The business for which the Special Meeting was called is the only business which may be conducted at that meeting.

5.4 MEMBERS' SUBMISSION OF ISSUES

Members who have items to be brought up at a meeting should submit them to the Secretary of the Board in advance of the posting of the agenda. The Board will make all reasonable efforts to accommodate members' requests. Items submitted after the posting of the agenda will be discussed at the discretion of the Board.

5.5 NOTICE OF MEETINGS

A. General. Notice and agenda of all membership meetings must be posted in all TPSS Co-op locations and sent by electronic mail or postal mail (in accordance with Article 5.5.B) to all members at least 15 but not more than 90 days before the meeting, and, if a special meeting is called, the notice shall state the purpose of the meeting. Such notice may be included in a regularly mailed newsletter. Notice of a meeting and subsequent ballot to

consider amendments to TPSS Co-op's articles of incorporation and/or bylaws, or to consider a proposal to dissolve the cooperative, shall be sent by the secretary at least 30 days before the meeting to each member at the member's last known address, accompanied by the full text of the proposal and, if applicable, by that part of the articles and/or bylaws to be amended.

B. Notification Method. The Board has the discretion to use either electronic or postal mail to notify members about meetings and votes referenced in Article 5.5A, for members with an active email address on file. Members who wish to receive these notices via postal mail only must submit a written request to TPSS requesting postal mail notices.

5.6 QUORUM

There is no quorum requirement for Membership Meetings.

5.7 VOTING PROCEDURES

A. Written Ballot

1. Decisions requiring written ballot are:

a. Election of the Board of Representatives;

b. Amendment of the bylaws;

c. Amendments of the Articles of Incorporation;

d. Dissolution of TPSS Co-op;

e. Removal of a Board representative by membership

f. The amount of capitalization contribution that members are required to pay under Article 3.

g. The issuance, number of shares, and dividend terms of each class of non-voting preferred stock described in Article 13, and

h. Other decisions as determined by the Board.

2. Decisions by ballot to amend the articles of incorporation or bylaws, remove a Board representative, or to dissolve TPSS Co-op, require an affirmative vote of two-thirds of those members voting. Decision by ballot on all other issues require an affirmative vote of a majority of those members voting, unless otherwise stated in these Bylaws.

3. Numerical results of all votes shall be posted in the store.

B. Decisions that do not require a written ballot may be made at a general Membership Meeting. The President or other officer presiding at the Membership meeting shall have the discretion to determine whether an issue raised at the Membership Meeting and not previously placed on the agenda shall first be considered by the Board for possible submission by written ballot. Decisions will be made by consensus, with the option of suspending consensus with the approval of a simple majority of the members voting. If consensus is suspended, a three-fourths majority is needed for the issue being voted on to pass.

5.8 PROXY

There shall be no voting by proxy.

ARTICLE 6: Board of Representatives

6.1 RESPONSIBILITIES AND POWERS

A. General: The business and affairs of TPSS Co-op shall be managed under the direction of a Board of Representatives. The Board of Representatives is an elected group representing the membership. It is responsible for ensuring the well-being, perpetuity and financial success of TPSS Co-op in accordance with the bylaws and philosophy of the organization.

B. Policy: The Board is empowered to set guiding and operating policies for TPSS Co-op that are consistent with the bylaws and the will of the membership. These policies are to be carried out by the General Manager, and shall be available to the membership.

C. Financial Oversight: The Board is specifically responsible for overseeing the financial stability of TPSS Co-op. It must carry out or provide for regular evaluation of the financial performance of the business through budget and sales reports, as well as an annual review of TPSS Co-op books by a CPA who is not a member of the Board, an employee of TPSS Co-op, a member of TPSS Co-op, or a relative of a Board member or employee.

D. Annual Budget: After the Board accepts the annual budget for TPSS Co-op prepared by the General Manager, the Board will make such annual budget available for inspection by members.

E. Employment of General Manager: The Board will directly hire and have the authority to dismiss the General Manager.

F. Operations:

1. The daily operations of TPSS Co-op are entrusted to, and are the responsibility of, the General Manager. The Board will hold the General Manager accountable for the successful operation of the business and implementation of TPSS Co-op policy.

2. The Board maintains the right to directly intervene in operations if the viability, continued success or mission of TPSS Co-op is threatened, as determined by a consensus of the Board.

3. The General Manager will make expenditures in accordance with the TPSS Co-op Policy Register.

G. Board Responsibilities: Each Board member shall perform his or her duties, including duties as a member of at least one committee on which he or she serves, in good faith; in a manner he or she reasonably believes to be in the best interests of the TPSS Coop; and with the care that an ordinarily prudent person in a like position would use under similar circumstance. Each Board member shall also prepare for each Board and committee meeting by reviewing all materials provided to him or her in advance of such meetings.

6.2 QUALIFICATIONS AND ELECTIONS

A. All members in good standing, not associated with interests adverse to TPSS Co-op, are eligible to serve on the Board.

B. Representatives to the Board shall be elected by the membership.

C. The nominating committee will solicit nominations of any members in good standing and present them to the membership. Additional nominations will be accepted from any member in good standing. Elections will be by written ballot.

D. The General Manager of the TPSS Co-op shall not be eligible to serve on the Board for the period she or he is employed as the General Manager.

E. Former employees terminated by TPSS Co-op and not eligible for re-hire shall not be eligible to serve on the Board for a period of five (5) years from the termination date.

F. The term of a Board member, whether elected or appointed, will begin on the first day of the month following his/her election/appointment.

G. At every election, each member shall be entitled to cast as many votes for nominated candidates as there are seats on the Board up for election, but in no event may a member cast more than one vote per candidate. Those candidates receiving the highest number of votes will be elected to serve the full three-year terms. Any partial terms will be filled by remaining candidates in the order of the number of votes received, such that candidates receiving more votes will serve longer terms.

H. In case of a tie for the last expiring position or vacancy, a special run-off election will be held.

I. Number and Terms:

1. The Board shall have 9 members.

2. No more than three (3) of the Board members will come from the paid staff.

3. At least two Board members shall be residents of the State of Maryland.

4. Representatives will serve for a period of three (3) years (one term). Board members who have served 2.5 terms or more may not run for election to the Board, or be appointed in the case of a vacancy on the Board, for a period of two years from the date of their departure from the Board

J. Vacancies and Additions to the Board:

1. Vacancies:

a. Vacancies that occur between elections will be filled by the Board.

b. The appointment will be effective until the next regularly scheduled election for Board members.

c. At the next regularly scheduled election, a seat with a partial term equaling the number of years remaining on the term of the original Board member (i.e., the Board member whose vacancy resulted in the appointment) will be open for election and will be filled in accordance with Article 6.2.G.

2. Additions:

a. The Board may increase the number of positions to a maximum of eleven (11).

b. The Board may, between regularly scheduled Board elections, appoint member(s) to fill the new position(s).

c. The Board will post at all TPSS Co-op stores the announcement of any members appointed by the Board pursuant to this Article 6.2 G. Within sixty (60) days of the posting date, the Membership will have the opportunity to provide written comments or objections to the appointment(s), which shall be considered by the Board.

d. The increase is effective until the next regularly scheduled election unless the Board determines that there is a need for the continuation of the additional positions. This determination must be made on a yearly basis.

1. If the positions are continued, the positions shall be filled in accordance with Article 6.2 (A-F).

K. Conflict of Interest:

1. All Board members have the responsibility to inform other Board members of an actual conflict of interest, a perceived conflict of interest, or a potential conflict of interest and to remove themselves from any decisions affected by this conflict.

a. If a Board member or Board members fail to remove themselves with respect to a conflict of interest they can be barred from participating in decision-making on the item in question by a vote of the majority of the remaining Board.

L. Removal:

1. If a representative misses 1/3 or more of the Board meetings in any consecutive twelve-month period, or three consecutive meetings without prior written notice and/or reasonable cause, as determined by a vote of the Board, he or she may be removed by a consensus decision of the Board or, if consensus cannot be achieved, by a vote of the majority of the Board.

2. A representative may be removed by a vote of the majority of the Board for "due cause," which includes the following:

a. A violation of the bylaws or a policy, as determined by the Board.

b. A violation of any federal state or local laws relevant to the duties of a member of a board of representatives/directors or officer of a corporation, as determined by the Board.

3. In decisions on the removal of a Board member the affected member is automatically excluded from the decision making process.

4. Removal of one or more representatives by the members must be proposed by petition of 50 members, with such petition containing the signature and member number of each petitioning member. Within 30 days of receiving a petition, the Board shall verify the member status of all those signing the petition and hold a member meeting as described in Article 5, after the procedures for notifying members in Article 5.5 have been followed. The Board shall also inform the representative(s) whose removal is proposed about the meeting and the proposed removal(s) at least ten (10) days before the meeting. The proposed removal(s) must then be discussed at the membership meeting. If a majority of members attending the meeting vote to put the question of removal on the ballot, a written ballot on the proposed removal(s) shall be sent to all members. The written ballot election shall begin within 15 days and close within 30 days of the date the member meeting to discuss the proposed removal was held. The proposed removal(s) will become effective only if approved by two-thirds of those members casting ballots.

M. Compensation: Board members will receive a monthly stipend in the form of a gift card to be used on purchases at TPSS Co-op in the amounts specified in Appendix A. The amount(s) of the stipend may only be changed by a vote of the membership at a membership meeting in accordance with Article 5.7.B.

ARTICLE 7: Officers and Committees of the Board

7.1 OFFICERS

A. After the annual elections, members of the Board shall choose four officers from among the Board members: president, vice president, secretary and treasurer.

1. PRESIDENT: The president is responsible for assuring: regular Board and Membership Meetings; the timely preparation and availability of agendas; the selection of a meeting facilitator; and the presentation of all Board decisions to the membership. In addition, the president will be the contact person between membership and the board and will serve as an “ex-officio” member of all Board committees, sign official documents when necessary, and carry out all duties and responsibilities delegated to the president that are outlined in the Policy Register.

2. VICE PRESIDENT: The vice president will assist the president in all of the above, will act for the president when he/she is not available, and will sign official documents when necessary. The vice president will become acting president when that office becomes empty and carry out all duties and responsibilities delegated to the vice president that are outlined in the Policy Register.

3. SECRETARY: The secretary is responsible for assuring: the maintenance of all board-related records other than financial records in the offices; that minutes of all membership and Board meetings are recorded, maintained in an orderly manner, distributed to board members and made available to the membership; the timely reporting of all major business and policy decisions to the membership; the organization and maintenance of a manual recording policy decisions made by the Board and the general membership; and that the bylaws are updated according to Board and membership decision. The secretary will sign official documents when necessary and carry out all duties and responsibilities delegated to the secretary that are outlined in the Policy Register.

4. TREASURER: The treasurer will be a member with financial and business experience. The treasurer is responsible for assuring: the timely compilations and submission of regular financial reports to

the Board; and the conduct of annual financial review, including determining the specific type of CPA review to be conducted, as designated in Article 6.1(C). The treasurer will act as "ex officio" member of the finance committee and sign official documents when necessary and carry out all duties and responsibilities delegated to the treasurer that are outlined in the Policy Register.

B. An officer may be removed by a vote of the majority of the Board for "due cause." In decisions on the removal of an officer, the affected individual is automatically excluded from the decision-making process. Due cause includes the following:

1. A violation of the bylaws or a policy, as determined by the Board.

2. A violation of any federal state or local laws relevant to the duties of an officer of a corporation, as determined by the Board.

7.2 COMMITTEES

A. Standing Board Committees: The Board shall ensure the maintenance of a number of standing committees. Committees will be composed of members in good standing and each committee will have at least one (1) Board member. The standing committees and their responsibilities are as follows:

1. AUDIT AND FINANCE: responsible for:

a. reviewing and analyzing the financial information that is to be presented to the Board of Representatives;

b. assuring that the financial information conveyed to the Board is sound and adequate and in support of TPSS Co-op's capital and operating needs as projected;

c. at least biennually (every two years), auditing, or causing to have audited, the affairs of TPSS Co-op and making a full report on the audit to the Board of Representatives and at one of the regularly scheduled meetings of TPSS Co-op described in Article 5.1. On those years that a full audit is not required, the full Board shall decide (using the procedures outlined in 8.3) whether an audit or a review shall be conducted. The decision should be made prior to March 31 of each year, in order to give management enough time to find and hire an auditor.

2. MEMBERSHIP and COMMUNITY AFFAIRS: responsible for developing membership policies and promoting membership.

3. NOMINATING COMMITTEE: responsible for soliciting nominations for Board vacancies and overseeing elections. This committee will reach out to the diverse community represented in TPSS Co-op by advertising, within the stores, to our diverse customer base.

B. Ad Hoc Committees: Ad hoc committees can be created or disbanded by the Board as necessary.

C. Powers and Responsibilities: Each committee will develop recommendations to be submitted to the Board, on issues within its scope.

D. Meetings: All committee meetings are open to members, except for those meetings or portions of meetings designated as board only by the board or the committee. Standing committees will hold regular meetings and timely notices of meetings will be posted in the stores.

E. Minutes or Reports: All committees will maintain minutes, or an equivalent reporting document, and make them available to members.

ARTICLE 8: Meetings of the Board

8.1 REGULAR MEETINGS

The Board of Representatives will hold regularly scheduled meetings as often as it determines is necessary. The date, time, place and agenda will be posted in advance at all TPSS Co-op locations.

8.2 SPECIAL MEETINGS

Special meetings of the Board may be called by at least three Board members. All Board members must be notified in advance.

8.3 VOTING

A quorum consisting of at least half of the Board is required for decision making. Decisions will be made by consensus, with the option of suspending consensus with the approval of ¾ of the Board voting. If consensus is suspended, a simple majority is needed for the issue being voted on to pass. If a decision needs to be made between meetings, Board members may vote by mail, telephone or electronic media.

8.4 OPENNESS OF MEETINGS

All Board meetings shall be open to TPSS Co-op members, except when the Board determines that it requires confidential discussion of personnel, contract negotiations, or other specified matters involving real estate or the legal or financial integrity of TPSS Co-op.

ARTICLE 9: Annual Report

9.1 TIMING

TPSS Co-op shall prepare within 120 days of the close of its operations for each fiscal year an annual report of its conditions which shall be available for inspection by members.

9.2 CONTENTS

The annual report shall state, at a minimum:

A. The names, addresses, occupations, and date of expiration of the terms of the directors and officers;

B. The total number of members and the amount of membership equity received or allocated;

C. The par value of any non-voting preferred stock authorized under Article 13 and, if such stock has been authorized, the amount and nature of authorized, subscribed, and paid-in capital and the rate at which any return upon capital has been paid;

D. The annual receipts, annual expenditures, assets, and liabilities; and

E. The audit committee report or the report of the auditors.

9.3 PRESENTATION AND AVAILABILITY

The annual report shall be presented in written form at a regularly-scheduled meeting of members described in Article 5.1 and kept with the records of the TPSS Co-op. A copy of the annual report shall be kept on file at the principal office of the TPSS Co-op and be made available to the members during regular business hours.

ARTICLE 10: Amendments and Severability

10.1 AMENDMENTS

Amendments to these bylaws may be proposed by petition of 10 percent of members (with such petition containing the signature and member number of each petitioning member) or by a two-third vote of the Corporation's Board of Representatives. Amending the bylaws and the articles of incorporation is a two step process. The proposed amendment(s) must first be discussed at a general membership meeting described in Article 5 after the procedures for notifying members about amendments to the articles and/or bylaws described in Article 5.5 have been followed. After considering the members' comments at the meeting, the Board will finalize the proposed amendments and then a written ballot containing the proposed amendment(s) must be sent to all members. The proposed amendment(s) will become part of the bylaws and/or the articles of incorporation only if approved by two-thirds of those members casting ballots.

10.2 SEVERABILITY

In the event that any provision of these bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these bylaws.

ARTICLE 11: Dissolution

11.1 DISSOLUTION
Dissolution of TPSS Co-op can only be accomplished by a two-step process. The proposed dissolution must first be discussed at a general Membership Meeting described in Article 5.1, after the procedures for notifying members about a proposal to dissolve TPSS Co-op described in Article 5.5 have been followed. Then a written ballot describing the proposed dissolution must be sent to all members. The proposed dissolution can only be accomplished by an affirmative vote of two-thirds of those members casting ballots. Upon an affirmative vote to dissolve, TPSS Co-op's assets shall be distributed in the following manner and order: (a) by paying its debts and expenses; (b) by returning to members their membership capital, allocated equity, and/or the lesser of the par value or book value of their shares; and (c) by distributing any surplus as a gift to another cooperative or to a nonprofit, tax-exempt organization.

ARTICLE 12: Indemnification of Officers and Directors

12.1 PARTIES TO BE INDEMNIFIED

The TPSS Co-op shall indemnify each of its Representatives and officers, the Board of Representatives, and the members of any committee of the Board appointed pursuant to these bylaws (collectively referred to as its Agents) for any liability arising due to the actions or inactions of such persons or entities on behalf of TPSS Co-op, in accordance with the terms of this Article.

12.2 RIGHTS AND LIMITATIONS ON INDEMNIFICATION

An Agent shall be entitled to indemnification provided that the Agent acted in good faith and in a manner reasonably believed to be in the best interest of TPSS Co-op and, in a criminal action or proceeding, provided that the Agent had no reasonable cause to believe the Agent's conduct was unlawful. No right of indemnification shall exist for any act or inaction that constitutes gross negligence or willful misconduct, or that constitutes a breach of fiduciary duty on the part of the Agent. Specifically, no right of indemnification shall exist as to (a) any matter in which the Agent has been finally adjudged guilty of gross negligence, willful misconduct, or breach of fiduciary duty in any action or proceeding or (b) any settlement of any action or proceeding, unless the Board, or independent counsel selected by the Board, has determined that there is no reasonable ground for such Agent to be adjudged guilty of gross negligence, willful misconduct, or breach of fiduciary duty.

12.3 COST ITEMS COVERED

The right of indemnification under this Article shall extend to all costs, expenses, and liabilities actually and reasonably incurred by an Agent in connection with any claim, action, or proceeding (whether civil, criminal, administrative, or other) in connection with which the Agent acted or failed to act in the Agent's capacity as agent of TPSS Co-op.

12.4 DETERMINATION THAT INDEMNIFICATION IS PROPER

If any Agent has been successful on the merits in the defense of any such action or proceeding, then the Agent shall be entitled to indemnification. In all other situations, the Agent shall be entitled to indemnification as specified in Article 12.2 or upon adoption of a duly adopted resolution of the Board or the members approving a claim for indemnification. Any such resolution must be adopted by the Board by a majority vote of a quorum consisting of Representatives who were not parties to the action or proceeding, or by the members.

12.5 ADVANCE PAYMENT OF EXPENSES

Expenses incurred by an Agent in defending any action or proceeding may be paid by TPSS Co-op in advance of the final disposition of such action or proceeding. In each instance, such advance payment must be authorized by the Board, and such authorization may only be granted after receipt of an undertaking by the Agent to repay the amount advanced, unless it is ultimately determined that the Agent is entitled to indemnification in accordance with the provisions of Article 12.2.

12.6 CONTINUATION OF RIGHT TO INDEMNIFICATION

Such right to indemnification shall continue as to a person who has ceased to be a member of the Board or an officer or member of such committee, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

12.7 OTHER REMEDIES

The indemnification provided by these bylaws shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote by members of TPSS Co-op or disinterested members of the Board, or otherwise.

12.8 INSURANCE

TPSS Co-op may purchase and maintain insurance on behalf of any or all of its Agents against any liability, or settlement based on an asserted liability, incurred by them by reason of being, or having been, an Agent of TPSS Co-op, whether or not TPSS Co-op would have the power to indemnify them against such liability or settlement, under the provisions of TPSS Co-op's charter or these bylaws.

ARTICLE 13: Preferred Stock

13.1 Authorization and Member Approval

The issuance, number of shares (up to the total amount authorized under the articles of incorporation) and dividend terms of each class of non-voting preferred stock must be approved by the membership by written ballot. With the approval of the membership, the Board of Representatives has the authority and power to establish and issue one or more than one series of preferred stock, to set forth the designation of series of such shares, and to fix the relative rights, preferences, privileges and limitations of each series of shares of preferred stock.

13.2 Rights and Eligibility

A. Preferred stock is non-voting stock and members holding preferred stock gain no additional voting rights (i.e., in addition to their right to cast one vote on any issue brought to the membership for a vote that they have by virtue of being members).

B. Preferred stock may be issued only to a member of the Co-op in good standing.

C. Preferred stock may be transferred only with the approval of the Board. Preferred stock may be redeemed in whole or in part at any time, as provided in the Bylaws and Board policy.

13.3 Dividends

Dividends on preferred stock may be paid as determined by the Board but only if the net income of the Cooperative for the previous fiscal year is sufficient. Dividends on preferred stock shall not exceed eight percent (8%) annually on the value of the consideration for which the stock was issued. Dividends on preferred stock shall be noncumulative or cumulative as determined by the Board separately for each series of preferred shares.

These bylaws were duly adopted by the Board of Representatives of TPSS Co-op at a meeting held on January 16, 2011. The above bylaws are a current statement of TPSS Co-op's bylaws.

Appendix A: Board Stipends

The amount of the stipend to be provided to Board members will be as follows:

- For Board members not serving as officers: $75 per month.
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- For Board members serving in an officer position other than President: $100 per month.
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- For Board member serving as President: $125 per month.