

Bylaws Section	Current Bylaw Section	Proposed Changes (<u>Additions Underlined</u> , Deletions Struck Through)	Proposed New Bylaw Section	Reasons for Proposed Changes
1.02(c)	<p>Qualifications of Membership. Any person, including any organizations (except a subsidiary of the Corporation) may become and remain a member of this Corporation by:</p> <p>(a) Complying with such uniform conditions as may be prescribed by the Board of Directors;</p> <p>(b) Making full payment of any non-refundable membership fee as set forth in Section 1.06 of these Bylaws;</p> <p>(c) Making full payment for one A share(s); and</p> <p>(d) If a natural person, being a resident of California.</p>	<p>Qualifications of Membership. Any person, including any organizations (except a subsidiary of the Corporation) may become and remain a member of this Corporation by:</p> <p>(a) Complying with such uniform conditions as may be prescribed by the Board of Directors;</p> <p>(b) Making full payment of any non-refundable membership fee as set forth in Section 1.06 of these Bylaws;</p> <p>(c) Making full payment for one <u>Class A Membership share(s), as described in Section 2.02 of these Bylaws;</u> and</p> <p>(d) If a natural person, being a resident of California.</p>	<p>Qualifications of Membership. Any person, including any organizations (except a subsidiary of the Corporation) may become and remain a member of this Corporation by:</p> <p>(a) Complying with such uniform conditions as may be prescribed by the Board of Directors;</p> <p>(b) Making full payment of any non-refundable membership fee as set forth in Section 1.06 of these Bylaws;</p> <p>(c) Making full payment for one Class A Membership share(s), as described in Section 2.02 of these Bylaws; and</p> <p>(d) If a natural person, being a resident of California.</p>	<p>This section has been changed to:</p> <ul style="list-style-type: none"> • Ensure clarity and consistency with other changes proposed below.
2.02	<p>Share Ownership.</p> <p>A. Share ownership entitles a member to only one (1) vote in the affairs of the Corporation, irrespective of the total number of shares a member owns, and to all the rights of membership as described by statute, the Articles of Incorporation, and these Bylaws, subject to other requirements of section 1.01 of these bylaws. Pursuant to Subsection (b) of Section 9.03 of these Bylaws, the Directors may declare noncumulative dividends on any shares other than Class A not to exceed any maximum rate established by statute. No Dividends of any kind may be declared on Class A shares.</p> <p>B. The Corporation is authorized to issue four classes of shares as follows:</p> <p>Class A – Membership Shares</p> <p>Class B – Sustaining Shares or Fair Share</p> <p>Class C – Co-op Shares</p> <p>Class D – Investment Shares</p>	<p>Share Class and Ownership.</p> <p><u>The Co-op shall have four (4) classes of shares, with such shares Share ownership entitles a member to only one (1) vote in the affairs of the Corporation, irrespective of the total number of shares a member owns, and to all the rights of membership as described by statute, in the Articles of Incorporation, and these Bylaws; subject to other requirements of section 1.01 of these bylaws. Pursuant to Subsection (b) of Section 9.03 of these Bylaws, the Directors may declare noncumulative dividends on any shares other than Class A not to exceed any maximum rate established by statute. No Dividends of any kind may be declared on Class A shares. All shares shall be purchased or issued in amounts to be determined from time to time by the Board of Directors, subject to applicable law.</u></p> <p><u>Class A Membership Shares. Each membership shall purchase and hold only one (1) Class A Membership Share. No dividends shall be paid on such shares.</u></p> <p><u>Class B Sustaining Shares. Each membership may purchase Class B shares. Dividends will be determined by the Board from time to time, subject to applicable law. Any patronage refunds not paid in cash may be distributed to the member-owners in the form of Class B Shares or fractions thereof.</u></p> <p><u>Class C Co-op Shares. Each Fair Share membership, as defined in Section 2.08 of these Bylaws, may hold a maximum number of Class C Shares as set by the Board. Class C Shares and fractions thereof may be issued as a share dividend credit, or patronage refund or upon a share split, reverse share split, or other change affecting outstanding C Shares. The Board of Directors may declare dividends on paid up Class C Shares not to exceed applicable law.</u></p> <p><u>Class D Investment Shares. Class D Shares are defined in the Articles of Incorporation.</u></p> <p>B. The Corporation is authorized to issue four classes of shares as follows:</p> <p>Class A – Membership Shares</p> <p>Class B – Sustaining Shares or Fair Share</p> <p>Class C – Co-op Shares</p> <p>Class D – Investment Shares</p>	<p>Share Class and Ownership.</p> <p>The Co-op shall have four (4) classes of shares, with such shares described in the Articles of Incorporation, and these Bylaws. All shares shall be purchased or issued in amounts to be determined from time to time by the Board of Directors, subject to applicable law.</p> <p>Class A Membership Shares. Each membership shall purchase and hold only one (1) Class A Membership Share. No dividends shall be paid on such shares.</p> <p>Class B Sustaining Shares. Each membership may purchase Class B shares. Dividends will be determined by the Board from time to time, subject to applicable law. Any patronage refunds not paid in cash may be distributed to the member-owners in the form of Class B Shares or fractions thereof.</p> <p>Class C Co-op Shares. Each Fair Share membership, as defined in Section 2.08 of these Bylaws, may hold a maximum number of Class C Shares as set by the Board. Class C Shares and fractions thereof may be issued as a share dividend credit, or patronage refund or upon a share split, reverse share split, or other change affecting outstanding C Shares. The Board of Directors may declare dividends on paid up Class C Shares not to exceed applicable law.</p> <p>Class D Investment Shares. Class D Shares are defined in the Articles of Incorporation.</p>	<p>This section has been changed to:</p> <ul style="list-style-type: none"> • Provide additional information on the types of shares issued by the Co-op; • Remove a misleading reference to Fair Share status; • Codify the existing practice of requiring Fair Share status for member-owners to invest in C Shares; • Clarify some wording and eliminate duplication with other parts of the Bylaws.
2.08	(Not in our current bylaws)	<p>Fair Share Membership Status Definition. A “Fair Share” membership status is attained when a <u>membership owns one (1) Class A Membership Share and the minimum number of Class B Sustaining Shares as determined from time to time by the Board of Directors.</u></p>	<p>Fair Share Membership Status Definition. A “Fair Share” membership status is attained when a membership owns one (1) Class A Membership Share and the minimum number of Class B Sustaining Shares, as determined from time to time by the Board of Directors.</p>	<p>This section has been changed to:</p> <ul style="list-style-type: none"> • Add a definition of Fair Share membership status to the Bylaws.