

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.

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.

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 live in the states of Maryland, Virginia, or the District of Columbia when they apply for membership, 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 and a Membership fee if required, in accordance with Article 3.

2.2 RIGHTS

- A. All members who have capitalized (or are making payments pursuant to an authorized plan) and are current on their Membership fee, if one is being charged, 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 refunds made available to members pursuant to these bylaws and the Policy Register of TPSS Co-op.
 - 4. Pursuant to procedures established by the Board, and members of TPSS Co-op, designate persons in the same household as a "household shopper." Household shall be defined as persons residing at the same address where food purchases are shared. Any and all rights of membership are conferred to the person in whose name the membership is capitalized. "Household shopper" status shall confer no member voting rights, no board eligibility, and shall not require any additional fair share payments. 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 amounts; articles of incorporation, 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 in accordance with Article 3 and to regularly pay any yearly Membership fee.
- B. All members have a duty to provide TPSS Co-op with their current address and phone number when joining, and to notify TPSS Co-op of any change of their address and/or phone number within 10 days of such a change. Any failure to notify TPSS Co-op of a change of address or phone number pursuant to this section 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.
- B. Involuntary Termination:
 - 1. Anytime one of the following conditions is satisfied, a member shall be terminated and lose all rights given to members under these bylaws:
 - a. Failure to pay any yearly Membership fee within the required time period.

- b. 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 5.7(A) 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 5.7(A) 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 shall be conducted by ballot.
- D. The Board or its designee, at its discretion, may develop payment plans for individual members at the member's request.
- 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 common stock and patronage refunds, 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.

H. The Board or its designee may elect to establish a yearly membership fee and to set an amount of such fee.

- 1. Any yearly Membership fee is not to exceed 10% of the capitalization amount then in effect for new members.

ARTICLE 4: Distribution of Net Income/Patronage Refunds

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 refunds 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 refunds shall be evidenced by written notices of allocation delivered to recipient members within nine (9) months 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 Section 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 refunds not currently distributed by check shall be credited or charged to revolving capital accounts in the names of the recipient members. Retained patronage refunds 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 refunds 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 rebates 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 refunds 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 refunds 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 refunds 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 refunds 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 refunds of prior fiscal years and then against patronage refund 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 report on the budget for the coming fiscal year and the distribution of net income. 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. 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

Notice and agenda of all meetings must be posted in all TPSS Co-op locations and sent by mail to all members at least 2 weeks in advance. Such notice may be included in a regularly mailed newsletter.

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. Dissolution of TPSS Co-op; and,
 - d. Other decisions as determined by the Board.
 2. Decisions by ballot 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 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: The Board shall present an annual budget to the membership in accordance with the TPSS Co-op Policy Register before the start of the new fiscal year.
- 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.

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. 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.
- E. The term of a Board member, whether elected or appointed, will begin on the first day of the month following his/her election/appointment.
- F. In case of a tie for the last expiring position or vacancy, a special run-off election will be held.
- G. 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. 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
- H. 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. The person elected by the membership to fill the vacant position will only serve the time remaining on the term of the original Board member.

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).

I. 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.

J. 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 also be removed 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.
- K. Compensation: Members of the Board receive the highest prevailing discount available or a 20% discount, whichever is higher.

ARTICLE 7: Officers and Committees of the Board

7.1 OFFICERS

- A. After the annual elections, members of the Board shall choose four officers: 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; the presentation of all Board decisions to the membership. In addition, the president will be the contact person between membership and the board, will serve as an “ex-officio” member of all Board committees and 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 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; 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; 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.

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. FINANCE: responsible for reviewing and analyzing the financial information that is to be presented to the Board of Representatives and 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.
 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 $\frac{3}{4}$ 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: Amendments and Severability

9.1 AMENDMENTS

Amending these bylaws is a two step process. The proposed amendment(s) must first be discussed at a general Membership Meeting. 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 if approved by two-thirds of those members casting ballots.

9.2 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 10: Dissolution

10.1 DISSOLUTION

Dissolution of the Takoma Park-Silver Spring Cooperative, Inc. can only be accomplished by an affirmative vote of two thirds of the members at a general Membership Meeting after the procedure for notification and balloting have been followed as delineated in Article 2.3(B). Upon an affirmative vote to dissolve, any surplus capital goods, or equipment shall be donated to organizations having cooperative, non-profit, or not-for profit purposes, or to any 501 (c) (3) organization which the general membership so designates.

ARTICLE 11: Indemnification of Officers and Directors

11.1 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.

11.2 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.

11.3 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.

11.4 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 Section 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.

11.5 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 Section 2.

11.6 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.

11.7 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.

11.8 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.

These bylaws were duly adopted by the Board of Representatives of TPSS Co-op at a meeting held on November 16, 2008. The above bylaws are a current statement of TPSS Co-op's bylaws.