
BYLAWS
OF
CONSERVATION COOPERATIVE OF GULF FISHERMEN

ARTICLE I
Definitions

For purposes of these Bylaws, the terms below shall have the following meanings:

Section 1. Cooperative. “Cooperative” means the Conservation Cooperative of Gulf Fishermen.

Section 2. Member. “Voting Member” means a duly qualified and admitted voting member of the Cooperative. The term “Voting Member” does not include Associate Members and Individual Members.

Section 3. Associate Member. “Associate Member” means a non-voting member of the Cooperative.

Section 4. Individual Member. “Individual Member” means a non-voting member of the Cooperative.

Section 5. Voting Membership Agreement. “Voting Membership Agreement” means an agreement in form and content the same as that attached hereto as Exhibit A.

Section 6. Gulf of Mexico Region. “Gulf of Mexico Region” means the States of Texas, Louisiana, Alabama, Mississippi, and that part of the State of Florida including and west of Monroe County, and the waters of the Exclusive Economic Zone of the United States seaward of Texas, Louisiana, Alabama, Mississippi, and Florida including and west of Monroe County.

Section 7. Alabama Nonprofit Corporation Act. “Alabama Nonprofit Corporation Act” means Sections 10-3A-1, *et seq.*, Code of Alabama (1975) as amended.

ARTICLE II Membership

Section 1. Qualification and Admission.

Section 1.1. Voting Members. Any owner of a charter boat which fishes for fin fish in the Gulf of Mexico Region, any operator of a charter boat which fishes for fin fish in the Gulf of Mexico Region, and any member of a crew aboard a charter boat which fishes for fin fish in the Gulf of Mexico Region is eligible to become a Voting Member of the Cooperative upon executing a Voting Membership Agreement, paying the initial membership fee, and approval by the Board of Directors.

Section 1.2. Associate Members. Any entity that is involved in the fin fish industry in the Gulf of Mexico Region is eligible to become an Associate Member of the Cooperative by paying the annual membership fee for Associate Members established by the Cooperative’s Board of Directors.

Section 1.3. Individual Members. Any person who fishes for fin fish in the Gulf of Mexico Region is eligible to become an Individual Member of the Cooperative by paying the annual membership fee for Individual Members established by the Cooperative’s Board of Directors.

Section 2. Rights and Obligations.

Section 2.1. Voting Members. A Voting Member’s rights and obligations related to membership in the Cooperative shall be as provided in the Voting Membership Agreement executed by that Voting Member, these Bylaws, and the Articles of Incorporation of the Cooperative. Notwithstanding any other provision of these Bylaws, no amendments to the

Cooperative's Voting Membership Agreement shall be effective unless approved by a majority vote of the Voting Members at a properly called Voting Members' meeting or by different means as may be determined by the Board of Directors (including email, conference call, etc.).

Section 2.2. Associate Members. Associate Members shall have the right to be advised of activities of the Cooperative via receipt of information made available by the Board of Directors and shall have the right to attend any meeting of the Voting Members.

Section 2.3. Individual Members. Individual Members shall have the right to be advised of activities of the Cooperative via receipt of information made available by the Board of Directors and shall have the right to attend any meeting of the Voting Members.

Section 3. Resignation. A Member may resign from the Cooperative by submitting, in writing, a letter of resignation to the Board of Directors. Any resignation shall become effective at the time or upon the happening of the condition, if any, specified therein, or, if no such condition or time is specified, upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Suspension, Exclusion, and Enforcement of Voting Membership Agreements.

Section 4.1. Non-Qualification. A Voting Member who ceases to meet the qualifications for membership shall be immediately and automatically expelled. Except as provided for in Section 4.2 of this Article, such membership may be reinstated in accordance with the procedures set forth in these Bylaws for the admission of new members. The Associate Membership of any Associate Member who fails to pay the required annual dues shall be terminated automatically. Such Associate Membership may be reinstated upon payment of such dues. The Individual Membership of any Individual Member who fails to pay the required

annual dues shall be terminated automatically. Such Individual Membership may be reinstated upon payment of such dues.

Section 4.2. Non-Payment of Dues and Assessments. Any Member that fails to pay dues and/or special assessments within thirty (30) days of the date such payment is due may have its right to participate in and vote on matters of Cooperative business suspended. The effect of such suspension shall be to deny the suspended Member the right to participate in and vote at Members' meetings and the right to participate in and vote at Directors' meetings if that Member is also a Director. Suspension of a Member shall in no respect impair the validity or enforceability of the Voting Membership Agreement executed by such Member. A Member who has failed to pay any dues or special assessments may reinstate its membership at any time by paying the dues and/or special assessment amounts as the Board of Directors determines such Member owes.

Section 4.3. For Cause. In addition to the provisions of Sections 4.1 and 4.2 of this Article, a Member's membership in the Cooperative may be suspended or terminated by the Board of Directors or the Members for (i) violating a material provision of the Cooperative's Articles of Incorporation or these Bylaws; (ii) material breach of the Voting Membership Agreement; (iii) violation of state or federal antitrust laws; or (iv) any action which could imperil the immunity of the Cooperative or its Members from application of state or federal antitrust laws. An action to expel or suspend a Member may be initiated by majority vote of all Directors representing Members other than the Member whose suspension or expulsion is sought, or by twenty (20) or more of the Voting Members in good standing. Upon the initiation of an action to expel a Member, the party or parties seeking the Member's expulsion or suspension shall deliver to that Member a statement of the basis on which such action is sought, together with the name

of a proposed arbitrator. The Member whose suspension or expulsion is sought shall have ten (10) business days to respond to the charges and to name a second arbitrator. The two arbitrators shall promptly select a third arbitrator. The three arbitrators so selected shall hold a binding arbitration hearing conducted in accordance with the rules of the American Arbitration Association within fifteen (15) business days after all three arbitrators being appointed. If the action involves an alleged violation of antitrust law, all arbitrators selected shall be attorneys with substantial antitrust litigation experience. If any arbitrator is not appointed in accordance with the procedures and time periods specified herein, the Cooperative or the Member whose expulsion is sought may apply to a court of competent jurisdiction for appointment of an arbitrator. Suspension or expulsion shall be by affirmative vote of a majority of the arbitrators.

Section 4.4. Enforcement of Voting Membership Agreements.

(1) An action to enforce the Voting Membership Agreement may be initiated by the Board of Directors or twenty (20) or more of the Voting Members in good standing. If the Voting Member against which enforcement of the Voting Membership Agreement is sought is a Director, that Voting Member shall have no right to participate in the Board of Director's discussions and actions concerning Voting Membership Agreement enforcement and the quorum and voting requirements for the Board of Directors in connection with such discussions and actions shall be determined with reference to the remaining Directors as though they constituted the entire Board of Directors.

(2) If the Board of Directors or twenty (20) or more Voting Members recommend that enforcement action be taken in connection with a Voting Membership Agreement, a binding arbitration hearing shall be conducted in accordance with the procedures set forth in Section 4.3 of this Article. A decision by a majority of the arbitrators shall be

binding. The arbitrators shall have the authority to impose such penalty or grant such equitable relief as they deem appropriate.

Section 5. No Transfer. Neither membership in, nor a Voting Member's rights to any property in the possession of, the Cooperative may be sold, pledged, encumbered, transferred or assigned without the express approval of the Board of Directors or by majority vote of the Voting Members. No relief from or termination of a Voting Member's obligations under the Voting Membership Agreement (other than a termination according to such Agreement's express terms) shall be effective without the express approval of all other Voting Members.

Section 6. Liability.

Section 6.1. Liability of Members. No Member of the Cooperative shall be individually or personally liable to the creditors of the Cooperative for any indebtedness or liabilities of the Cooperative, and any and all creditors of the Cooperative shall look only to the assets of the Cooperative for payment of any such indebtedness or liabilities.

Section 6.2. Liability of Members upon Resignation or Expulsion. A Member which resigns or is expelled from the Cooperative or whose membership in the Cooperative shall have otherwise been terminated for any reason shall be and remain liable to the Cooperative and its Members, as the case may be, for or on account of any obligations which have accrued prior to the effective date of such resignation, expulsion, or termination of membership, including without limitation any unpaid dues payable prior to such effective date. No dues previously paid shall be refunded to a resigning Member.

ARTICLE III
Dues and Assessments

Section 1. Operational Funding. Sources of funding for Cooperative operations may include an initial membership fee, quarterly dues, supplemental assessments, Associate

Member's dues, Individual Member's dues, and such other public and private fund sources as may be available to the Cooperative within the limitations imposed by the Articles of Incorporation, Bylaws, and state and federal laws and regulations. Fees and dues shall be set by the Board of Directors.

Section 2. Initial Membership Fee.

Section 2.1. Voting Members. The Board of Directors shall establish an initial membership fee for the Cooperative which shall be charged to Voting Members on a one-time basis upon initial admission to the Cooperative. Payment of such initial membership fee shall constitute payment of such Voting Member's first annual dues. Until such time as changed by the Board of Directors, the initial membership fee shall be \$500 for each individual owner, operator and crew member.

Section 2.2. Associate Members. The Board of Directors shall establish an initial membership fee for the Cooperative which shall be charged to Associate Members on a one-time basis upon initial admission to the Cooperative. Payment of such initial membership fee shall constitute payment of such Associate Member's first annual dues. Until such time as changed by the Board of Directors, the initial membership fee shall be \$100 for Associate Members.

Section 2.3. Individual Members. The Board of Directors shall establish an initial membership fee for the Cooperative which shall be charged to Individual Members on a one-time basis upon initial admission to the Cooperative. Payment of such initial membership fee shall constitute payment of such Individual Member's first annual dues. Until such time as changed by the Board of Directors, the initial membership fee shall be \$25 for Individual Members.

Section 3. Membership Dues. Annual dues for Members of the Cooperative shall be determined by the Board of Directors.

Section 4. Supplemental Assessments. The Board of Directors may levy supplemental assessments each year in an amount not to exceed twenty-five percent (25%) of the annual dues.

Section 5. Billing and Payment. Members shall pay dues on an annual basis. Dues payments shall be due on January 15. Supplemental assessments shall be due as the Board of Directors provides at the time the assessment is levied.

ARTICLE IV Membership Meetings

Section 1. Annual Meeting. A meeting of the Voting Members for review and approval of the activities of the previous year and a budget for the coming year, deciding matters related to public education and government relations, election of Directors and Officers, and transaction of such other business as may properly come before the meeting shall be held each year. The Board of Directors shall exercise all reasonable efforts to schedule the meeting during the month of February, but the specific time and place of the meeting shall be determined each year by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Voting Members may be called for any purpose and at any time by the President, a majority of the Board of Directors, or twenty percent (20%) of the Voting Members.

Section 3. Notice. Other than as provided in Section 4 of this Article, a written notice stating the place, date, and hour of membership meetings and, in the case of a special meeting the purpose or purposes for which the meeting has been called, shall be delivered to each Voting Member entitled to vote not less than ten (10) nor more than fifty (50) days prior to such meeting. If mailed, such notice shall be addressed to the Voting Member at its address as that

address appears on the records of the Cooperative, and shall be deemed delivered when deposited in the United States mail with postage prepaid. If delivered by facsimile transmission, such notice shall be deemed delivered when transmitted to the Voting Member. If delivered by electronic mail, such notice shall be deemed delivered when transmitted to the Voting Member provided the sender does not receive notice of failed delivery. Notice of any meeting shall be provided to Associate Members and Individual Members in a manner deemed appropriate by the Board of Directors.

Section 4. Waiver of Notice. A Voting Member may waive any notice required to be given by signing a written waiver either before or within three (3) days after the meeting. Attendance at a meeting shall constitute a waiver of notice of such meeting, except when attending for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened.

Section 5. Voting Members' Representatives. Each Voting Member shall from time to time select an authorized representative (the "Authorized Representative") who shall have the authority to speak for and act on behalf of such Voting Member in all Cooperative matters. Voting Members shall identify their Authorized Representative by notifying the Board of Directors in writing at the time of admission to the Cooperative. A Voting Member may withdraw or substitute its Authorized Representative by providing written notice to the Cooperative and all other Voting Members. A Voting Member's Authorized Representative may be, but need not be, the Voting Member's Director.

Section 6. Quorum. The presence of a majority of Voting Members, either in person or by written proxy, shall constitute a quorum. Any lesser number may recess from time to time until a quorum is present.

Section 7. Voting. On all Cooperative matters requiring Voting Member action, each Voting Member in good standing shall have one (1) vote. Voting Members may vote in person or by proxy. Voting Members other than natural persons may vote through an authorized representative provided that the Voting Member notifies the Board of Directors in writing of the name of that authorized representative. Except as otherwise provided for in these Bylaws, majority consent of all Voting Members present and voting shall be required for action by the Members.

Section 8. Election of Directors and Officers.

Section 8.1. Election of Directors. At each annual Voting Members' meeting, the Voting Members shall elect the appropriate number of directors for the Board of Directors.

Section 8.2. Election of Officers. Election of Officers shall occur after election of the Board of Directors and shall occur at the annual meeting of the Voting Members. Officers of the Cooperative shall be elected by the Board of Directors from its members in the following order: President, Vice President, and Secretary/Treasurer. Each Director shall have one (1) vote. A nominee who receives a majority of the votes cast shall be deemed elected. If no nominee receives a majority vote, a second election shall be held between the nominees receiving the two largest numbers of votes. Officers may hold successive terms.

Section 9. Rules of Order. All questions of parliamentary procedure arising at membership meetings shall be settled in accordance with Robert's Rules of Order.

Section 10. Action of Voting Members Without a Meeting. Any action required to be taken or permitted to be taken by the Voting Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof. The written consent action shall have

the same force and effect as a unanimous vote of the Voting Members and shall be filed with the minutes of the proceedings of the Voting Members. A consent may be executed in counterparts. Facsimile transmissions of signed consents shall be accepted as valid.

Section 11. Location of Meetings. The annual meeting of the Voting Members, any special meeting of the Voting Members, and meetings of the Board of Directors, including any committees appointed by the Board of Directors, shall be held at a time and place determined by the Board of Directors.

ARTICLE V Board of Directors

Section 1. Powers. The Board of Directors shall have the authority to initiate action to enforce the Cooperative's Voting Membership Agreement(s); supervise, control and direct the day-to-day affairs of the Cooperative, including hiring such staff and consultants as the Board of Directors deems necessary; enter into agreements, including purchasing agreements, on behalf of the Cooperative; determine the Cooperative's policies within the limits of the Articles of Incorporation, these Bylaws, and the Voting Membership Agreements; direct Cooperative government relations; select projects and activities, including scientific research, which the Cooperative will undertake, and otherwise actively pursue the Cooperative's purposes; submit a financial report and a budget for the upcoming year to the Voting Members at each annual meeting; and oversee the distribution of the Cooperative's funds. Approval by a majority of the Board shall be required for selection of an Executive Director and/or a management company. The compensation, if any, of all employees, consultants, or contractors of the Cooperative shall be fixed by, or under the direction of, the Board of Directors. The Board may adopt such rules for the conduct of its business as it shall deem advisable and may, in the execution of the powers granted, appoint agents it considers appropriate.

Section 2. Number of Directors. The initial number of Directors shall be five (5). At the first meeting of the Voting Members, an additional four (4) Directors shall be elected. The Board of Directors shall be comprised of at least one director from each state in the Gulf of Mexico Region; provided that the Cooperative has at least one Voting Member from such state.

Section 3. Qualifications. Directors shall be Voting Members in good standing of the Cooperative. Immediately upon a Cooperative Voting Member's disqualification, resignation, or expulsion, that Voting Member shall immediately and automatically be deemed to have resigned from the Board of Directors if then serving as a Director.

Section 4. Term. Except as provided below in this Section with respect to initial terms, Directors shall serve for three (3) year terms and may serve successive terms. Directors shall hold office until their successors are elected and qualify.

Section 4.1. Terms of Initial Directors. The five (5) initial Directors shall serve three (3) year terms until the Cooperative obtains Voting Members from Texas and Louisiana, when at such time, the Board of Directors shall determine the term for each of its members. Each Director may be elected to successive three (3) year terms.

Section 4.2. Initial Terms of At-Large Directors. At the first annual meeting of the Voting Members, four (4) At-Large Directors may be elected except that no more than two (2) may be from the same state in the Gulf of Mexico Region. Of the four (4) At-Large Directors elected at the first annual meeting of the Voting Members, one (1) shall be elected to a one (1) year term, one (1) shall be elected to a two (2) year term, and two (2) shall be elected to a three (3) year term. Each At-Large Director may be elected to successive terms.

Section 5. Vacancies. All vacancies on the Board of Directors, whether caused by disqualification, resignation, expulsion, death, or otherwise shall be filled by the Board of Directors on an interim basis until the next annual meeting of the Voting Members.

Section 6. Meetings. The Board of Directors shall hold meetings according to a schedule it deems appropriate. Special meetings of the Board may be called at any time by the President or a majority of the Directors. Voting Members of the Board of Directors or any committee created by the Board may participate in a meeting by means of a conference telephone or similar communications equipment, so long as all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 7. Notice. A written notice stating the place and hour of a proposed meeting of the Board of Directors and, in case of special meetings, the date and purpose or purposes for which it is called, shall be delivered to each Director not less than five (5) days in advance of the meeting. If mailed, such notice shall be deemed delivered five (5) days after being deposited in the United States mail with postage prepaid. If delivered by facsimile transmission, such notice shall be deemed delivered when transmitted to the Director. If delivered by electronic mail, such notice shall be deemed delivered when transmitted to the Director provided the sender does not receive notice of failed delivery.

Section 8. Waiver of Notice. A Director may waive any notice required to be given by signing a written waiver either before or within three (3) days after the meeting. Attendance at a meeting shall constitute a waiver of notice of such meeting, except when attending for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 9. Quorum. The presence of a majority of the Directors shall constitute a quorum for any meeting. Any lesser number may recess from time to time until a quorum is present.

Section 10. Voting. Each Director shall be entitled to one (1) vote on any single matter before the Board. A majority of the votes present at a meeting shall be sufficient to approve any action unless a higher percentage is required by law, the Articles of Incorporation or these Bylaws. Any Director may demand a roll call vote on any substantive question.

Section 11. Rules of Order. All questions of parliamentary procedure arising at Directors' meetings shall be settled in accordance with Robert's Rules of Order.

Section 12. Registering Dissent. A Director who is present at a meeting of the Board of Directors at which action on a Cooperative matter is taken shall be presumed to have assented to such action unless the Director's dissent is entered in the minutes of the meeting, or unless the Director shall file a written dissent with the person acting as the secretary of the meeting before adjournment of the meeting. Such right of dissent shall not be available to a Director who voted in favor of such action.

Section 13. Absence. A Director who is absent at three (3) consecutive meetings without an excuse or for reasons which the remainder of the Board declares to be insufficient shall be deemed to have resigned from the Board.

Section 14. Action by Directors Without a Meeting. Any action required to be taken or permitted to be taken by the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board of Directors. The written consent action shall have the same force and effect as a unanimous vote of the Board of Directors and shall be filed with the minutes of the proceedings of the Board of

the Board of Directors. A consent may be executed in counterparts. Facsimile transmissions of signed consents shall be accepted as valid.

Section 15. Resignation or Removal. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect at the time specified therein, or, if no time is specified, at the time of receipt. If the Voting Member that a Director represents is expelled or resigns, the Director shall be deemed to have resigned from the Board as of the date of the Voting Member's expulsion or resignation. A Director may be removed for cause. Sufficient cause for removal shall be violation of the Articles of Incorporation, these Bylaws, or any lawful rule or practice duly adopted by the Cooperative; or any conduct prejudicial to the purposes of the Cooperative. An action to suspend or remove a Director shall be initiated by a majority vote of the remaining Directors. A statement of the charges shall be sent by certified or registered mail, return receipt requested, to the last recorded address of the Director at least twenty (20) days before final action is taken. This statement shall be accompanied by a notice of the time and place of the membership meeting at which the charges shall be considered. The Director shall have an opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken. A Director may be suspended or removed upon a majority vote of the Voting Members.

ARTICLE VI

Officers

Section 1. Officers. The officers of the Cooperative shall be a President, a Vice President, and a Secretary/Treasurer.

Section 2. President. The President shall preside at all membership and Directors' meetings, shall have general supervision of the operations of the Cooperative, and shall perform

all duties as are incident to his or her office or are properly required of him or her by the Board of Directors.

Section 3. Vice President. During the absence or disability of the President, the Vice President shall exercise all of the functions of the President.

Section 4. Secretary/Treasurer. The Secretary/Treasurer shall (i) oversee the keeping of minutes of all membership, Board of Directors, and committee meetings, and the recording of all votes taken in the course of such meetings, and (ii) oversee the keeping of accounts for all funds received and expended by the Cooperative, and shall oversee disbursements authorized by the Board to determine compliance with procedures the Board may prescribe. The Secretary/Treasurer shall report on the financial status of the Cooperative at the annual meeting or when called upon by the President. The Secretary/Treasurer's records shall at all times be subject to verification and inspection by the Board of Directors.

Section 5. Other Officers. The Board of Directors may appoint other officers and agents as it deems necessary, which officers and agents shall hold their offices for terms to be determined from time to time by the Board of Directors.

Section 6. Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

Section 7. Term - Removal. The elected Officers of the Cooperative shall hold office for three (3) year terms and may serve successive terms; provided, however, that if (a) the Officer is not re-elected, (b) no successor is elected to fill the position held by such Officer, and (c) the Board does not designate the office as vacant, then the Officer shall continue to serve as such Officer until one of the events in (a), (b), or (c) should occur, but for a period of no more than three years. Any Officer or agent elected or appointed by the Board of Directors may be

removed at any regular or special meeting of the Board, with or without cause, by an affirmative vote of a majority of the entire Board of Directors (excluding from the computation of such majority the officer whose removal is being sought). Removal from office shall be without prejudice to the contract rights, if any, of the person so removed. Appointment to an office shall not of itself create contract rights.

Section 8. Execution of Documents. The President and the Vice President are authorized, in their discretion and to the extent permitted herein and by law, to do and perform any and all corporate and official acts in carrying on the Cooperative's business, including but not limited to the authority to make, execute, acknowledge, and deliver all deeds, mortgages, releases, bills of sale, assignments, transfers, leases, powers of attorney or of substitution, proxies to vote stock, or any other instrument in writing that may be necessary in the purchase, sale, lease, assignment, transfer, management, or handling in any way of property of any description held or controlled by the Cooperative, in any capacity. This shall include authority from time to time to borrow money in such amounts, for such lengths of time, at such rates of interest and upon such terms and conditions as any said officer may deem proper, and to evidence the indebtedness thereby created by executing and delivering in the Cooperative's name, promissory notes or other appropriate evidences of indebtedness. The enumeration herein of particular powers shall not restrict in any way the general powers and authority of said officers. The Board of Directors may authorize any other officer or officers or agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Cooperative, and such authority may be delegated by the person so authorized; but, unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Cooperative by any contract or engagement or to pledge its

credit or to render it liable for any purpose or to any amount. The Treasurer or the Secretary is authorized to attest the signature of the President or the Vice President.

ARTICLE VII
Executive Director/Management

At the discretion of the Board of Directors, administration and management of the Cooperative may be vested in an Executive Director or a management company directly responsible to the Board of Directors. If the Board of Directors elects to fill the Executive Director's position, or to hire a management company, the Executive Director or management company shall be appointed and may be removed by the President, subject to the approval of an absolute majority of the Board of Directors.

ARTICLE VIII
Committees

Section 1. In General. The Board may, by a resolution passed by a majority of the directors then in office, create an executive committee and such committees as it may deem necessary or useful to promote the purposes and carry on the work of the Cooperative. Each such committee shall consist of any number of persons chosen by the Board, who need not be members of the Board so long as at least two members of the Board are members of the committee. To the extent authorized to do so in an enabling resolution, committees may exercise the power of the Board, except that no committee shall have the power to do any of the following:

- (1) Amend or restate the Articles of Incorporation;
- (2) Amend, alter, or repeal the Bylaws;
- (3) Adopt a plan for the distribution in liquidation of the assets of the

Cooperative;

- (4) Effect a dissolution of the Cooperative;
- (5) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Cooperative;
- (6) Adopt a plan of merger or consolidation;
- (7) Elect, appoint, or remove any member of any such committee or any director or officer of the Cooperative; or
- (8) Amend, alter, or repeal any action or resolution of the Board unless by its terms such resolution provides that it may be amended, altered, or repealed by such committee.

The Board may by resolution create other committees not having or exercising the authority of the Board.

Section 2. Terms. Each member of a committee shall continue in such capacity for three (3) years or until such person's successor is appointed, unless the committee shall sooner be terminated by the Board.

Section 3. Resignation or Removal. Any member of a committee may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect at the time specified therein, or, if no time is specified, at the time of receipt. A member of a committee may be removed for cause. Sufficient cause for removal shall be violation of the Articles of Incorporation, these Bylaws, or any lawful rule or practice duly adopted by the Cooperative; or any conduct prejudicial to the purposes of the Cooperative. An action to suspend or remove a member of a committee shall be initiated by a majority vote of the remaining Directors. A

statement of the charges shall be sent by certified or registered mail, return receipt requested, to the last recorded address of the member of a committee at least twenty (20) days before final action is taken. This statement shall be accompanied by a notice of the time and place of the membership meeting at which the charges shall be considered. The member of a committee shall have an opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken

ARTICLE IX Notes and Checks

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by the President, the Treasurer, or such officer or officers, or agent or agents, as shall from time to time be determined by the Board of Directors. The President, the Vice President, the Treasurer, or any other officer or employee designated by the Board of Directors, is authorized and empowered on behalf of the Cooperative and in its name to endorse checks and warrants, to draw drafts, to give receipts for money due and payable to the Cooperative, and to sign such other papers and do such other acts as are necessary or appropriate to perform such duties.

ARTICLE X Indemnification

Section 1. Officers and Directors. The Cooperative shall indemnify and defend all present and former officers and directors of the Cooperative against any expenses of any proceeding, except proceedings instituted by the Cooperative against that person, to which they are parties because they are or were officers or directors of the Cooperative, all as defined and to the fullest extent permitted by law. An officer or director of the Cooperative will not be personally liable to the Cooperative or its Members for monetary damages for conduct of an officer or director, except for:

(1) Acts or omissions involving intentional misconduct by the officer or director or a knowing violation of law by the officer or director;

(2) Conduct for which the Cooperative would be prohibited from indemnifying a director or officer pursuant to the Alabama Nonprofit Corporation Act; and

(3) Any transaction from which the officer or director will personally receive a benefit in money, property, or services to which the officer or director is not legally entitled.

If the Alabama Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the Cooperative will be eliminated or limited to the fullest extent permitted by the Alabama Nonprofit Corporation Act, as the case may be, as so amended. Any repeal or modification of the foregoing paragraph by the Cooperative will not adversely affect any right or protection of an officer or director of the Cooperative with respect to any rights or omissions of such officer or director occurring prior to such repeal or modification.

Section 2. Employees and Agents. The Cooperative may indemnify and defend present and former employees and agents of the Cooperative against any expenses of any proceeding to which they are parties because they are or were employees or agents of the Cooperative, all as defined and to the fullest extent permitted by law.

Section 3. Insurance. The Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Cooperative, or who is or was serving at the request of the Cooperative as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee

benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

Section 4. Bonding. The Board of Directors may require any person authorized to sign checks for the Cooperative to furnish, at the expense of the Cooperative, a fidelity bond in such a sum as the Board shall prescribe.

ARTICLE XI Books and Records

The Cooperative shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Voting Members, Board of Directors, and Committees, and shall keep at its registered office or principal place of business addresses of all Members. All books, records, and minutes required to be kept under this Article shall be in written form or any other form capable of being converted into written form within a reasonable time.

ARTICLE XII Amendments

Amendments to the Bylaws of this Cooperative shall be accomplished pursuant to the following procedure: the Board of Directors or twenty percent (20%) or more of the Voting Members may propose a resolution setting out the proposed amendment and directing that it be submitted to a vote at a meeting of the Voting Members. Written notice setting out the time and place of the meeting, the text of the proposed amendment and a summary of the proposed changes shall be sent to each Director and Voting Member not less than ten (10) nor more than fifty (50) days prior to the meeting at which the amendment is to be considered. The proposed amendment shall be adopted upon receiving an affirmative vote from a majority of the Voting Members.

ARTICLE XIII
Adoption

These Bylaws shall be effective on adoption by the initial Board of Directors, as they are named in the Articles of Incorporation (the "Initial Directors"). The Initial Directors shall elect Interim Officers and the Initial Directors and Interim Officers shall retain their positions until they or their successors are duly elected. Except as provided in Section 4.1 of Article V, the first full Board of Directors shall be elected at the first meeting of the Voting Members. Thereafter, all Directors shall be elected and shall serve according to the terms of these Bylaws.

Adopted this ____ day of _____, 2008

Bobbi Walker
President

Tom Becker
Secretary