

## LANGUAGE FOR PROPOSED BYLAWS AMENDMENTS:

### EXISTING LANGUAGE:

#### “Section 7.2 Financial Accountability.

Financial statements of the Co-op for each fiscal year shall be audited or reviewed by an independent public accountant selected by the BOD. In addition to financial professionals, other external professionals may be engaged to conduct a management review and report concerning management performance, adequacy of operating controls, and such other matters as determined by the BOD. A full audit shall be conducted at least every 3 years. However, if the cost of a full audit could endanger Co-op financial viability, the timing of such an audit can be delayed up to 5 years from the date of completion of the previous audit.”

### PROPOSED LANGUAGE:

#### “Section 7.2 Financial Accountability.

Financial statements of the Co-op shall be audited at least once in every 3 fiscal years by an independent public accountant selected by the BOD. However, if the cost of an audit could endanger Co-op financial viability, the timing of such an audit can be delayed up to 4 years from the date of completion of the previous audit. In addition to financial professionals, other external professionals may be engaged to conduct a management review and report concerning management performance, adequacy of operating controls, and such other matters as determined by the BOD.”

### EXISTING LANGUAGE:

#### “Section 9.4 Distribution And Notice.

9.4.1 Patronage rebates shall be evidenced by written notices of allocation delivered to recipient owners within 8 months and 15 days following the close of the fiscal year. Each written notice shall state the dollar amount allocated to the owner on the books of the Co-op, constituting a patronage dividend within the meaning of federal tax laws.

9.4.2 Each notice shall be accompanied by payment of a percentage of the owner's Total Allocation Amount. ....”

### PROPOSED LANGUAGE:

#### “Section 9.4 Distribution And Notice.

9.4.1 Patronage rebates shall be evidenced by written or electronically distributed notices of allocation delivered to recipient owners within 8 months and 15 days following the close of the fiscal year. Each written notice shall state the dollar amount allocated to the owner on the books of the Co-op, constituting a patronage dividend within the meaning of federal tax laws.

9.4.2 Concurrent with issuance of said notice, payment of a percentage of each owner's Total Allocation Amount shall be made available to the owner through a form of payment chosen by the owner from 3 options:

- a. in the form of a credit toward the price of products subsequently purchased by the owner at the Co-op,
- b. in the form of a check payable to the owner, or
- c. in the form of a donation made back to the Co-op by the owner. ....”