

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**GRANGE COOPERATIVE SUPPLY ASSOCIATION**

Effective April 17, 2022

ARTICLE I

Membership

Section 1. Eligibility. Any individual, legal entity, trust, estate, cooperative or association, including both landlord and tenant in share tenancies, that is a producer of agricultural commodities in the territory served by this Grange Cooperative Supply Association, an Oregon cooperative corporation (Cooperative), may become a member upon application accepted by the board of directors and the cash payment by such prospective member of the non-refundable membership fee in the amount of \$100.00. Not all customers or patrons of the Cooperative are eligible for Membership and will be referred to as non-member retail patrons.

Section 2. Consent to Taxation. Each agricultural producer accepted as a current or future member in the Cooperative does hereby consent that the amount of any distributions, with respect to patronage of the cooperative which are made in written notices of allocation (as defined in 26 USC 1388) and which are received by such producer from the Cooperative will be taken into account by such producer at their stated dollar amounts in the manner provided in 26 USC 1385(a) in the taxable year in which such written notices of allocation are received by such producer, or otherwise allocated as provided below.

Each member does consent and accept this bylaw section as a notification to the significant express tax consent by every member.

Section 3. No Interest on Membership. No interest shall be paid on membership fees.

Section 4. Members Agree to Abide by Bylaws. All members agree to comply with and abide by the bylaws of the Cooperative and the rules and regulations established by the board of directors as such bylaws, rules and regulations are now or as they subsequently may be amended.

Section 5. Transferability of Membership. Membership may be transferred to one eligible for membership in the Cooperative only upon the approval of the transferee's application for membership by the board of directors, in which event the payments required under Section 1 of this Article shall not be required of the transferee. Transfer of a membership shall be accomplished by following such procedure as may be prescribed by the board of directors from time to time. Such transfer shall not be effective unless entered on the membership records of the cooperative.

Section 6. Termination of Membership. The board of directors may terminate a membership for failure of a member to do business with the cooperative during the previous fiscal year or upon a member ceasing to be eligible to hold membership in the cooperative. On termination of membership, the rights and interests of such member in the property and assets of the Cooperative shall automatically terminate, except for such member's interest in net savings on business done with the cooperative prior to termination of membership, and interest in the Cooperative's capital as evidenced by patronage refund credits. No settlement or payment shall be accelerated by virtue of such termination of membership.

## ARTICLE II

### Meetings

Section 1. Annual Meeting. The annual meeting of the members of the cooperative shall be held in the first quarter of each calendar year at such date, hour and place within the State of Oregon as may be designated by the board of directors.

Section 2. Special Meetings. Special meetings may be called at any time by the President or by order of the board of directors. Such meetings shall be called by the Secretary when at least ten (10%) percent of the members shall so request in writing, such request to state the business to be brought before the meeting.

Section 3. Notices. Notices stating the place, day and hour of all meetings of members shall be mailed by the Secretary to each member, at the address of the member which appears in the records of the Cooperative, not less than seven (7) nor more than thirty (30) days prior to the date of such meeting. The notice of any special meeting shall include a brief statement of the purpose of that meeting. Notice of any meeting may be provided by electronic transmission as provided by law and authorized by the members. The electronic notice address (for example e-mail) or similar electronic notice unique identification provided by a member to the cooperative is deemed consent and authorization by the member as effective means of written notice.

Section 4. Quorum. At any meeting of the members those members present shall constitute a quorum and the majority vote of those present shall be sufficient for any action, except as otherwise required by law or these bylaws.

Section 5. Voting. Each member of the cooperative shall be entitled to one vote. Where husband and wife hold a membership in their joint names or any legal entity with multiple representatives, they shall be entitled to but one vote.

Voting by proxy shall not be permitted, but a member that is a legal entity, trust or estate may designate a representative to cast its vote. In the absence of written notice that some person has been designated to represent a member which is other than a natural person, such member may be represented by any of its principal officers.

Any vote of the members to amend the bylaws or articles may be conducted by mail ballot. Such vote may be by electronic means or ballot if authorized by the board of directors and consented by acceptance of membership, subject to the requirements of Oregon law.

### ARTICLE III

#### Board of Directors

Section 1. Number and Term. The board of directors of the Cooperative shall consist of an odd number between five and nine persons, who at all times shall be current and active qualified members of the Cooperative; provided, however, that any member that is a legal entity, trust or estate may designate a representative to stand for election as a director. The term of office of all directors shall be three (3) years (measured by regular annual meetings of the Cooperative, not calendar years). Directors shall serve staggered terms with approximately one-third of director terms expiring each year. No director shall hold during the term as director any employment or other position in the Cooperative on regular salary. The board of directors may appoint up to three non-voting outside directors to participate in all meeting with intent to include at least one non-member retail patron.

Section 2. Vacancies & Nominating Committee. Vacancies on the board of directors shall be filled by a majority vote of the remaining directors though less than a quorum of the board. A person elected to fill a vacancy shall hold office during the remainder of the term of the director succeeded. Termination of membership or qualification as a director in the cooperative by any individual who is a director shall automatically terminate the director status and create a vacancy in such member's office as a director. The board of directors may appoint a nominating committee of current directors not standing for reelection ~~or former directors~~ or non-voting directors to promote out-reach and training for directors and encouraging participation, and present a recommended slate of candidates for member consideration. Members may also nominate candidates for director by written notice to the board no less than ~~45-60~~ days prior to an annual meeting.

Section 3. Meetings. Within ten (10) days after each annual meeting of members, the directors elected at such meeting and those holding over shall hold an organization meeting for the purpose of electing officers and for the transaction of such other business as may come before the meeting. If all such directors are present at the time and place of such meeting, no prior notice of such meeting shall be required to be given to the directors.

The board of directors by resolution may establish the date, time and place of other regular meetings of the board, which may be noticed and conducted by telephonic or electronic means.

Section 4. Special Meetings. Special meetings may be called by the President and must be called by the President at the request of at least three (3) directors. Such special meetings may be held at such time and place as the board of directors or the President shall determine, and any business may be transacted at such meeting.

Section 5. Notices. Meetings of the board, whether special or regular, may be held on three (3) days' notice, given by mail, or not less than eight (8) hours' notice, given by telephone or electronic means. Attendance of a director at a meeting shall constitute a waiver of notice thereof except where a director attends a meeting for the express purpose of objecting to the transaction or any business because the meeting is not lawfully called or convened.

Section 6. Quorum. A majority of the directors shall constitute a quorum, but no action of the board of directors shall be valid unless it is approved by an affirmative vote of at least a majority of current directors.

Section 7. Compensation. The Cooperative may provide fair and reasonable compensation and mileage for the time actually spent by its officers and directors in its service as disclosed to members in the Cooperative budget. However, no director may also hold any position in the Cooperative on a regular salary, nor have a conflict-of-interest or be a party to a contract for profit with the Cooperative different in any respect from the business relations accorded to other members, without full disclosure and prior consent of remaining directors.

Section 8. Family Conflicts/Nepotism. No spouse or children of a current director or the C.E.O./Manager may be a full-time employee of the Cooperative. Any other family member, or summer part-time employment by family should be disclosed to the full board subject to vote as a conflict of interest waiver.

Section 9. Removal of Directors. Any director may be removed from office at an annual or special meeting of the members by a majority vote of all members voting (and including mail-in ballots and electronic ballots when available), provided: that written reasons for the removal of the director are included in the notice of such meeting; that such reasons are presented at such meeting; and the director whose removal is sought has an opportunity to answer such reasons prior to the vote for removal. The Secretary of the Cooperative shall include such statement of reasons for removal in the meeting notice if such statement is filed within at least fifteen (15) days prior to the date of an annual or special meeting, together with a written petition signed by at least twenty (20) members of the Cooperative requesting the removal of such director. The Secretary will promptly deliver a copy of the statement of reasons for removal to the director and to include in the meeting notice the director's answer to such reasons, if such answer is received by the Secretary within four (4) days of the date of delivery of the statement of reasons for removal of the director. The written statement of reasons for removal shall be filed with the minutes of the meeting.

## ARTICLE IV

### Duties of Directors

Section 1. Management. The legal authority and powers of the Cooperative shall be exercised by or under the delegation of the board of directors, and the business and affairs of the Cooperative shall be managed under the direction of the board of directors. The board of directors shall make the necessary rules and regulations for the operation of the business and the guidance of the affairs, employees and agents of the Cooperative. Any rule or regulation adopted by the board may be amended, suspended, or repealed by a majority vote of the

members of the Cooperative present at any annual meeting or any special meeting called for the purpose of considering such rule or regulation.

Section 2. Employment of C.E.O. The board of directors may appoint and remove at its pleasure the C.E.O. The C.E.O. has the authority of the chief-executive-office and general manager of the cooperative to hire, fire, and direct officials, agents and employees, prescribe their duties and fix their compensation consistent with policy of the Cooperative. The C.E.O. shall not be a director. The C.E.O.'s spouse or children shall not be full-time employees of the Cooperative, and the C.E.O. shall first disclose and obtain board of directors' pre-approval before any part-time hire or employment of any other family member.

Section 3. Accounts Audits and Reports. It shall be the responsibility of the board of directors that an accounting system is installed and maintained adequate for the requirements of the cooperative. The board shall cause to be made an annual audit by a certified public accountant. Special audits shall be made at any time upon order of a majority of the board of directors or upon a majority vote of the members at any meeting. The audit, books and records of the cooperative shall be open for inspection on prior written request by the members at all reasonable times as provided by ORS 62.440.

The board shall cause to be kept a complete record of all of its acts and the proceedings of its meetings and shall cause to be presented at the annual meeting a report reviewing the Cooperative' s business for the year and showing the condition of its affairs.

Section 4. Bonds and Insurance. The board of directors may require the manager and all other officers, agents and employees charged by the Cooperative with the responsibility for the custody of any of its funds, securities or property, to submit to current credit and background checks, and may further require bond with sufficient surety for the faithful performance of their official duties in a bonding company approved by the board of directors. The premium on such bond(s) shall be paid by the Cooperative. The board of directors shall also provide for the adequate insurance of the property of the Cooperative.

Section 5. Borrowing Money. The board of directors may authorize the Cooperative to borrow money for any purpose of the Cooperative upon open account, or secured by assets of the Cooperative, in such amounts and upon such terms as the board may determine, and the board shall have authority to issue notes, certificates, bonds, debentures or other evidence of indebtedness, and to secure the same by mortgage, trust deed, or any other form of security.

Section 6. Establishing of Depositories. The board of directors shall have power to select one or more banks to act as depository of the funds of the cooperative and to determine from time to time the manner of receiving, depositing and disbursing the funds of the cooperative and the form of checks and the person or persons by whom such checks shall be. signed.

Section 7. Execution of Corporate Documents. When the execution of any instrument has been authorized by the board of directors without specifying the executing officer, such instrument may be executed by any two of the following: the President, Vice-President, Secretary, Treasurer, Assistant Secretary or other specifically designated officers or employees.

The board of directors may, however, in specific instances authorize any one of such officers or individuals to sign any of such instruments for and on behalf of the Cooperative.

Section 8. Indemnification of Directors. Under the conditions below, the Cooperative shall indemnify any and all of its directors or officers who are directors, or former directors or former officers who were directors, against all expenses, including attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by them or imposed upon them in connection with the defense or settlement of any action, suit or proceeding, whether civil, criminal or administrative, brought or threatened in which they or any of them are or might be parties, a party or a witness, by reason of being or having been directors or officers who are directors. Such conditions for indemnification are:

1. Compliance by such indemnitee with the standard of good faith and reasonableness required by the applicable provisions of ORS 62.464 and ORS 62.466.
2. Compliance with the method of determination of eligibility for indemnification prescribed by the provisions of ORS 62.474.

Section 9. Indemnification of Officers and Employees. The Cooperative may or shall, as applicable pursuant to ORS 62.476, indemnify its officers and employees against all expenses, including attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by them or imposed upon them in connection with the defense or settlement of any action, suit or proceeding, whether civil, criminal or administrative, brought or threatened in which they or any of them are or might be parties, a party or a witness, by reason of being or having been officers or employees. The conditions for indemnification of such officers or employees shall be the same as required for directors, pursuant to ORS 62.464, ORS 62.466, and ORS 62.474.

## ARTICLE V

### Officers

Section 1. Offices to be Filled. The principal board officers of the Cooperative shall be a President, one or more Vice Presidents as determined by the board, a Secretary and a Treasurer. The principal officers must be directors of the cooperative. The offices of Secretary and Treasurer may be filled by the same person. The board of directors may appoint an assistant secretary or an assistant treasurer by resolution entered in its minutes. A director is not eligible for appointment as a principal officer in the first year as a director.

Section 2. Election. The officers shall be elected by vote of the board of directors at the organization meeting of the board each year, and the term of office shall be for a period of one (1) year or until their successors are elected and assume office. Any officer, however, may be removed from office for cause by affirmative vote of a majority of directors (not including the officer subject to the removal vote).

Section 2.5. Vacancies. A vacancy in an office of the Cooperative shall be filled by a majority vote of the board of directors. A person elected to fill a vacancy shall hold office during the remainder of the term of the officer succeeded.

Section 3. President. The President shall preside at all meetings of the members of the cooperative and of the board of directors. The President shall sign for the Cooperative such contracts and other documents as he may be authorized by the board of directors to sign, and shall perform all acts and duties usually performed by a president or as prescribed by the board of directors.

Section 4. Vice President. In the absence or disability of the President, the Vice President shall preside and perform the duties of the President. The Vice President shall also perform such other duties as may be delegated by the board of directors. In the event of the death, resignation or long continued disability of the President which disability continues for more the 60 days, the board of directors may declare the office of President to be vacant and elect a successor.

Section 5. Secretary. The Secretary shall keep or cause to be kept a complete record of all meetings of the Cooperative and of the board of directors. The Secretary shall keep or cause to be kept proper membership records and shall perform such other duties as may be required by the board of directors. The Assistant Secretary (who may be a non-director) may be authorized by the board of directors to perform the duties of the Secretary.

Section 6. Treasurer. The Treasurer shall keep such records, make such reports and perform such other duties as may be required from time to time by the board of directors.

Section 7. Delegation of Duties. In the event of the absence or disability of any officer, the board of directors may delegate during such absence or disability the powers or duties of such officer to any other officer or director.

## ARTICLE VI

### General Method of Doing Business

Section 1. Non-Profit Operation. The term "net savings" is used in these bylaws in the same manner as that term is used in the Oregon cooperative Act, and net savings shall be determined in accordance with the provisions of such Act, subject to such adjustments as may be required by the United States Internal Revenue Code.

The Cooperative shall operate on a cooperative, non-profit basis for the mutual benefit of its members. The portion of the net savings of the Cooperative derived from business transacted with members doing more than \$1,000 (which may be increased as the Board may decide no more often than every five years) worth of business in a given year belongs to such members in proportion to their respective patronage and shall be returned to members either in the form of cash or credits. The Cooperative may serve non-members, on a for-profit or cooperative basis, in such manner and to such extent as the board may from time to time determine. As to any non-member with which the Cooperative does business on a cooperative basis, the board may prescribe a form of nonmember patronage contract to be executed with the Cooperative by such

non-member. Any non-member executing such a contract shall be referred to as non-member patrons in these bylaws. Products received or services performed by the Cooperative for non-member patrons, may for accounting purposes, be pooled with such products or services of similar classifications received or rendered by the cooperative to its members, or may be handled or performed and accounted for separately, as the board may determine. Business transactions shall include total proceeds produced by a transaction (i.e., income from the lease of premises, investment in securities or other interests, or from the sale or exchange of capital assets) which is directly related to the Cooperative's business, in the sense that such transaction or asset is an integral part of that business.

Section 2. Operation by Divisions or Departments. If the board of directors finds that the net savings are substantially different as between two or more classes or types of products handled by the Cooperative, or classes or types of business done by the Cooperative, it may establish reasonable classifications of patronage by products or departments based upon such differential, so that net savings will be equitably distributed among the members or non-member patrons in each year as nearly as practical in proportion to the patronage that produces such net savings.

Section 3. Application of Net Savings to Indebtedness. The Cooperative at its option may withhold any and all net savings distributable to a member or non-member patron and apply the same to the indebtedness of such member or non-member patron of the cooperative. In any such event, however, the Cooperative shall notify such member or non-member patron of the amount so applied.

Section 4. Allocation of Loss. If there is a net loss in any year, the amount of such loss shall be charged against the patrons' patronage or allocated equity reserve or refund credits provided below.

## ARTICLE VII

### Capital Accounts

Section 1. Patronage Refund Credits. For the portion of the net savings of the Cooperative returned to its members or non-member patrons other than in cash, the Cooperative has issued and shall issue patronage refund credits. Such credits shall be established in an annual series corresponding with the year of patronage of the Cooperative upon which such credit was based.

Section 2. Evidence of and Transferability of Credits. An allocation to members or non-member patrons in patronage refund credits shall be evidenced by a notice advising the member or non-member patron entitled thereto of the credits to his account based on his patronage of the Cooperative for the particular year involved. Patronage refund credits may be assigned and transferred by the owner thereof by a written form of assignment provided by the Cooperative, with board approval at its discretion, and the Cooperative shall then issue an acknowledgment of assignment. The Cooperative shall only recognize the holder of credits as shown by its books.

The Cooperative may offset any indebtedness due it from the holder of credits and against the earliest of such credits before the transfer of the interest to the holder, and the assignment of such credits will only be recognized to the extent of the credits remaining after deducting such indebtedness.

Section 3. Patronage Refund Credits Subordinate to Claims of Creditors. Patronage refund credits are subordinate in right to claims of all present and future creditors of the Cooperative.

Section 4. Interest. No interest shall be paid in patronage refund credits.

Section 5. Retirement of Patronage Refund Credits. Patronage refund credits may be retired by the board of directors in the priority of establishment of such credits, but there shall be no priority between credits established in the same fiscal year. The directors may establish different repayment series for member and non-member patronage refund credits. If there are funds available to retire part but not all of the patronage refund credits of a particular series, part payment may be made upon credits of such series. Patronage refund credits shall be retired at the value thereof as shown on the books of the Cooperative. Such retirement shall be made in cash or in 15-year notes of the Cooperative, as may be determined by the board of directors. However, if retirement of such credits is to be made in 15-year notes, such notes shall be issued in retirement of all such credits retired in that fiscal year. When retirement is made in the form of notes, odd amounts of such credits of any holder under \$100.00 shall be carried over to the next succeeding series of such credits.

Section 6. Retirement of Patronage Refund Credits on Death.

(a) Upon the death of an individual to whom patronage refund credits were originally issued, the board of directors shall retire the credits of such holder by paying the face value in cash to his executor or administrator. In the event there is no probate of the estate of such decedent, payment may be made to the heirs under conditions to be prescribed by the board of directors. If a partnership is the holder of such credits and a partner dies, if the surviving partner or partners are no longer in the business of raising agricultural commodities in the territory served by the Cooperative and make a proper showing to such effect, or if the surviving non-member partners refuse to enter into a non-member patronage contract, the provisions of this section shall apply to redemption of the interest of the deceased partner in such credits, at the request of the surviving partner or partners and of the executor or administrator of the deceased partner's estate.

(b) Where patronage refund credits were held in the name of husband and wife or were otherwise jointly held, no payment shall be made to the surviving spouse or to the surviving joint tenant; provided, however, that if such survivor is no longer engaged in the business of raising agricultural products in the territory served by the Cooperative, or refuses to enter into a non-member patronage contract, then upon proper showing to such effect and upon request from such survivor, payment will be made, subject to the conditions hereinafter set forth.

(c) It is expressly provided, however, that the Cooperative shall not be obligated in any one fiscal year to make payments in accordance with the provisions of this section in excess of

an amount equal to five (5%) percent of the maximum amount of patronage refund credits outstanding at any time during such year. Any sums otherwise payable on account of death of holders of such credits because such sums exceed the five (5%) percent limitation shall be paid in the subsequent year or years in accordance with priority of dates of death. The board of directors shall adopt such rules and regulations as may be necessary to carry out the purposes of this section.

(d) Any patronage refund credits retired under this section which remain unclaimed after four years may be forfeited by the board of directors and shall revert to the Cooperative and be credited to the members' equity reserve pursuant to Article VII, Section 10, below.

Section 7. Offset of Indebtedness. Any indebtedness due from the record holder of a credit to the Cooperative may be offset by the Cooperative before retirement of such credit or any part thereof

Section 8. Reserves. The portion of the net savings of the Cooperative derived from business transacted with non-members who elect not to enter into non-member patronage contracts, and derived from business of less than the minimum business amount provided in Article IV Section 1 above in a given year transacted with members or non-member patrons, after payment of taxes thereon, if any, shall be credited to the members' equity reserve. Such reserve shall be considered as part of the capital of the Cooperative for all purposes. The members or non-member patrons shall not be entitled to payments of credits to members' equity reserve except in the event of liquidation or dissolution of the Cooperative as provided below. The board of directors shall have the power and authority to set up reasonable reserves for necessary purposes of the Cooperative. These reserves may be either unallocated or allocated as follows:

(a) Unallocated Reserve. An unallocated reserve shall be accumulated from the following sources:

(i) Net savings from sources other than patronage.

(ii) Net Savings from patronage on business done for the United States government or any of its agencies.

(iii) Net Savings from patronage attributable to patrons who are unidentified.

(iv) Net Savings from patronage attributable to patrons who do not consent to take into account or otherwise cannot utilize patronage dividends from the Cooperative in the manner provided in 26 U.S.C. Section 1385.

(b) Allocated Reserve. An allocated reserve may be accumulated each year from the margins from patronage on a basis which is either qualified or nonqualified under

applicable federal income tax laws.

(c) All such allocated reserves not required to pay the contingencies reserved against or anticipated by the board of directors shall be returned to those patrons providing the same unless patrons cannot be located or have not been active patrons of the Cooperative within the past ten years then deemed and treated as Unclaimed Distributions as provided below.

Section 9. Rights of Dissolution. Rights of holders of patronage refund credits upon dissolution or liquidation of the cooperative are set forth in the Restated Articles of Incorporation.

Section 10. Unclaimed Distributions. Any distribution of net savings in cash or redemption of or payment based upon any indebtedness, capital stock of the Cooperative or other equity interest which remains unclaimed four (4) years after the date authorized for payment, redemption or retirement, may be forfeited by the board of directors and shall revert to the cooperative according to the procedure set forth in the Oregon cooperative Corporation Act, provided that at least six (6) months prior to the declared date of forfeiture, notice that the payment is available has been mailed to the last-known address of the person shown by the Cooperative's records to be entitled thereto or, if the address is unknown, is published as provided by ORS 62.245. Funds which so revert shall be credited to the members' equity reserve.

## ARTICLE VIII

### Amendments

These bylaws may be amended at any meeting of the members by a majority vote in the affirmative of those present or represented by mail-in and electronic ballot, provided that notice of the proposed amendments is included in the written notice of the meeting.

[These Restated Bylaws were adopted by the board of directors and submitted and approved by vote of the members on April 17, 2022.]