

**BYLAWS
of
SUNSETS WEST COOPERATIVE**

ARTICLE I - NAME AND PURPOSE

1.1. Name and Location: The name of this Cooperative is Sunsets West Cooperative (“SWC”). The principal office is located at 16732 Highway 112, Clallam Bay, WA 98326.

1.2. Purposes: The purposes for which this Cooperative is formed are:

1.2.1. To associate its members together for their mutual benefit to achieve any of the purposes or objects of a corporation acting according to the cooperative plan; and

1.2.2. To engage in lawful business or business activities for which cooperatives may be incorporated under RCW 24.06; and

1.2.3. The particular purposes of Sunsets West include, without limitation:

1.2.3.1. To provide a robust healthy food supply for the community and to promote local food production. The Cooperative encourages individuals to, in their own way, make a maximum contribution to their community and themselves.

1.2.3.2. To inspire and encourage creative energy within the community. Sunsets West co-op is organized to produce, purchase & distribute goods & services for the mutual benefit of its members and patrons, offering a variety of healthy foods for our patron’s choice.

1.2.3.3. To reinvest earnings in order to grow the Cooperative.

1.2.3.4. To foster cooperation among members and to improve the community served by the Cooperative by involving members in community garden & cottage industries.

1.2.3.5. To encourage the production of food and other goods in an ecologically sustainable, socially responsible, and economically appropriate manner.

1.2.3.6. To promote cooperative values;

1.2.3.7. To educate the public and to increase its awareness about food, nutrition and health and to be responsive and accountable to the community which the Cooperative serves.

1.2.4. The foregoing enumeration of the objects, purposes and powers of the corporation shall not be held to limit or restrict in any manner any general powers conferred on Sunsets West by the laws of the State of Washington, all of which are hereby expressly claimed. Accordingly, Sunsets West shall have the authority to do and perform, either for itself or its members, any and all things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes; and to exercise any of its powers anywhere.

1.3 Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year.

ARTICLE II - MEMBERSHIP

2.1. Eligibility for Active Membership: Any person, including any individual at least 18 years of age, or any partnership, association, corporation, or other entity, including governmental entities and political subdivisions thereof, may become a member of the Coop regardless of race, nationality, sex, gender, age, disability, sexual preference, marital status, religious creed, or other discriminating factors. Provided, to be and remain a Member in Good Standing, Members must agree to and shall:

2.1.1. Comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any and all rules, regulations, and resolutions adopted by its Board of Directors (hereinafter called the "Board");

2.1.2. Pay the applicable membership fee as established by the Board and stay current on other financial obligations to the Cooperative; and

2.1.3. Be approved for membership by the Board; and

2.1.4. Notify Sunsets West of any address changes within six months of the change.

2.1.5. The Cooperative [*may // shall*] issue membership certificates to Members in a manner, method, and form determined by the Board.

2.2 Membership Rights.

2.2.1 Membership and membership rights in this Cooperative are not transferable.

2.2.2 Each Member in Good Standing shall have the right to be nominated to serve on the Board of Directors, to vote in elections to select the Board of Directors, to vote in elections to recall any or all of the Directors and to apply to serve on any Committee on which non-Board members are eligible to serve.

2.2.3 Each Member in Good Standing shall have the right to petition to amend the bylaws or submit an initiative to the active membership for vote. Such petitions and initiatives must be signed by 75% of the membership or 25 members, whichever is less,

including the member proposing the amendment or issue for a vote of the full membership.

2.2.4 Each Member in Good Standing shall have the right to cast one vote on all matters presented to the membership for voting at membership meetings and in all instances where the Board of Directors orders member balloting. Member balloting may be performed by mail and/or at membership meetings.

2.2.5 Each Member in Good Standing shall have the right to request and examine the books and records of the Cooperative or to obtain information from the Cooperative. The Cooperative shall respond to a request for information within 30 days of receipt of the request. If additional time is required to respond to the request, for example because it is a particularly complex, or because it must be considered by the Board, or some other reason, the Cooperative will inform the requestor within the 30 days that it needs to extend the time limit. The the following books, records and information shall be available to members:

2.2.5.1 A copy of the current Articles, Bylaws and any policies, rules and regulations adopted by the Board.

2.2.5.2 Year end operating and other financial reports, for the Cooperative's previous three fiscal years; and

2.2.5.3 The minutes of any prior member meeting or board meeting; and

2.2.5.4 Adopted annual budgets; and

2.2.5.5 Monthly or other periodic or special operating and financial reports submitted by management to the Board of Directors; and

2.2.5.6 Formal audit reports rendered periodically by independent auditors; and

2.2.5.7 Information relevant to a Member's capital account.

2.3 Termination of Membership. Membership may be terminated in any of the following ways:

2.3.1 Voluntarily, by resignation, at any time upon written notice to Sunsets West; or

2.3.2 By failure to comply with the requirements and qualifications set forth in paragraph 2.1; or

2.3.3 By death of a member; or

2.3.4 For other reasonable and sufficient cause, by a two-thirds vote of the Board of Directors, after a fair hearing at which the member has the opportunity to speak and present evidence.

2.3.5 Termination of membership shall not relieve a former member of accrued debts owed to Sunsets West.

2.3.6 Upon voluntary or involuntary termination of membership, the Cooperative shall pay to any active Member, the amount of any capital credit, if any, due from the Cooperative to such member, in the same order and in the same amounts as would have been paid had the membership not been terminated.

ARTICLE III ACTIVE MEMBER CAPITAL CONTRIBUTIONS; CAPITAL CREDITS.

3.1 Operation at Cost. Sunsets West is organized on the cooperative plan and shall operate on a non-profit basis; provided, that the Cooperative's operations shall be so conducted that the members will, through their patronage, furnish capital for the Cooperative. The Board of Directors shall annually allocate Capital Credits to each member's capital account. For each amount allocated to a member, the member shall be deemed to contribute a corresponding amount to the Cooperative as capital. Each such capital contribution will be treated as though the Cooperative paid the allocated amount to the member pursuant to a pre-existing legal obligation and the member contributed the corresponding amount to the Cooperative as capital. At any time before the Cooperative's dissolution, liquidation or other cessation of existence, the Cooperative may generally retire and pay some or all capital credits allocated to members. Allocation and retirement of capital credits shall be accomplished as described in the Bylaws. Provided, nothing contained these bylaws shall be construed to forbid the Cooperative from accumulating reserves, equity, surplus or other funds from subscriptions, fees, dues or assessments, or from receipts from members or other persons for services rendered or supplies or benefits furnished, or from distributing its surplus funds to its members, stockholders or other persons in accordance with the provisions of the articles of incorporation.

3.2 Dues and Assessments. The Board may establish a membership fee and such other fees, dues or assessments as shall be determined by the Board in its discretion to be necessary to operate the Cooperative in a sound businesslike manner.

3.3 Capital Credits. As soon after conclusion of each fiscal year as may be conveniently done, there shall be mailed or delivered to each Member a statement showing the amount retained or credited to such Member during the preceding fiscal year. Capital Credits shall be deemed to be indebtedness of the Cooperative to the Members to whom credited, to be paid solely and exclusively in the discretion of the Board of Directors upon the conditions and at the time or times as they may determine. No interest shall be payable on or in respect of the Capital Credits. The moneys retained or collected for the Capital Credit accounts of the Members may be commingled with and used for any corporate purposes, as other moneys belonging or coming to the Cooperative, and nothing herein contained shall be deemed to require that any specific

moneys or funds be physically segregated, or designated, or marked, or set apart, nor shall Capital Credit accounts be deemed a trust fund held for the owners of Capital Credits. The Cooperative shall comply with all requirements applicable to a Subchapter T cooperative under the federal Internal Revenue Code (26 USC §§ 1382-1385) with respect to the allocation and payment of patronage dividends. The receipt and retention of any patronage dividend paid by the Cooperative to a member or patron shall be deemed consent by the member or patron receiving such payments that the payment are subject to taxation as provided in Subchapter T.

3.4 Cooperative Property Subject to Rights of Cooperative Creditors. Notwithstanding any other provision of these bylaws, all property and assets while held and retained by the Cooperative, including Capital Credit accounts, shall be subject to the rights and claims of the Cooperative's creditors and to the payment of its debts, liabilities and obligations. All property and assets of the Cooperative, including Capital Credit accounts, may be mortgaged or pledged in the same manner and to the same extent as the general property and assets. Capital Credits shall be distributed in whole or in part only as and whenever determined by the Board of Directors in its discretion.

See 2.1.5ARTICLE IV

MEMBER MEETINGS

4.1 Annual Meetings. Annual membership meetings shall take place at such time and place as the Board of Directors shall designate. The purpose of the meetings shall be to report to members on the operations and finances of Sunsets West, and to conduct voting for vacancies or expired terms on the Board of Directors, and other issues properly submitted to a vote of the members.

4.2 Special Meetings. A simple majority vote of the Board of Directors may authorize a special meeting of the members at any time. Special meetings may also be called by a written request signed by no less than five percent of the active membership. Business conducted at special meetings shall be limited to the purpose set forth in the notice for such meetings. The President shall set the time and place of a meeting requested by the membership, and notice shall be sent to the requestors' representative within fourteen days of receipt of a request. Any request for a meeting by the membership shall specifically state the purpose of the meeting and any proposed resolution to be acted upon.

4.3 Meeting Notice. The President or Board of Directors, when calling an annual or special meeting of the members, shall cause to be delivered to each active member, either personally, by postal mail or electronic transmission, not more than 60 nor less than 30 days before the meeting, written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Determination of Member status for notice purposes shall be as of the date that notice is sent to members. Notice of the annual meeting or of any special meeting shall be posted in the Sunsets West store. The failure of any Member to receive notice of an annual or special meeting shall not invalidate any action which may be taken at any such meeting provided a quorum is present.

4.4 Quorum. Members in attendance at any annual meeting shall constitute a quorum and the vote on any issue at the initial or adjourned meeting shall be totaled and the issue to be determined and decided by a majority of such total vote, unless required otherwise by these bylaws, articles of incorporation, or state law.

4.5 Voting. Each membership in good standing shall be entitled to one vote on any matter submitted to the membership for a vote. The Board may submit any matter to the membership for a vote by mail or e-mail, except that voting on the election of Directors may be only by mail or in person at a member meeting. Any question to be submitted to the members by mail or e-mail vote shall be reduced to concise written form by the secretary of the Cooperative and mailed or electronically transmitted to each member in accordance with the provisions of paragraph 4.3 of these bylaws. At the time and date fixed for the annual meeting, the secretary of the Cooperative shall open, count and register the votes of all Members in the presence of any and all members and directors in attendance, and thereupon announce and record the result. A Member may not vote on a matter at the Annual Meeting if the Member has already voted on the matter by mail.

**Member Voting by Member Proxy. In a manner determined by the Board consistent with this Bylaw, a Member entitled to vote may appoint another Member (“Member Proxy”) to vote on any matter for the Member. The Cooperative must accept votes properly taken by a Member Proxy on behalf of a Member entitled to vote as the Member’s vote. PROVISION ARTICLE V
BOARD OF DIRECTORS; ELECTION AND SELECTION; MEETINGS**

5.1. Board Powers and Duties. The Board of Directors shall oversee the business affairs of the Cooperative in the interests of the Members. The Board shall take any and all actions necessary to ensure responsible and fiscally sound management and operation of the Cooperative. The directors shall define the powers and duties of all committees, officers, agents, and Chief Executive Officer of the Cooperative. The Board shall keep a permanent record of its proceedings.

5.2. Number of Directors. The Board of Directors shall consist of five individuals elected by the Members in Good Standing.

5.3. Length of Terms. Directors shall serve three-year terms and may be reelected to any number of consecutive terms. The Directors’ terms will be staggered so that at least two are elected each year. Director terms begin 30 days following a successful vote by the membership.

5.4. Conflicts of Interest. It shall be a continuing qualification of any individual who is a director or a director candidate, that while a director or director candidate, and during the one (1) year immediately prior to becoming a director, or director candidate, the individual must not be or have been:

5.4.1. A Close Relative of any existing director,

5.4.2. An employee of the Cooperative,

5.4.3. Employed by, materially affiliated with, or share in a material financial interest with any other director,

5.4.4. Engaged in, nor employed by, materially affiliated with, or have a material financial interest in, any individual or entity, directly and substantially competing with the Cooperative, or possessing a substantial conflict of interest with the Cooperative.

5.5. Removal of Directors.

5.5.1. Removal by the Members. Any Director may be removed from office, with or without cause, upon the affirmative vote of two-thirds (2/3) of the members voting thereon. Any member may petition for the removal of a Director upon written notice signed by five percent (5%) of the members entitled to vote delivered to the Secretary, or the Chairman if the Secretary is the Director being petitioned for removal. Any such petition filed in accordance with this Section shall be voted on at the next meeting of the members at which a quorum is present; provided that such meeting is held more than ten (10) days after the delivery of a copy of the petition to the Director whose removal is sought as hereinafter provided. A copy of the petition for removal shall be given to the Director whose removal is sought at least ten (10) days prior to the meeting of the members. At any meeting to remove a Director, both the members seeking a Director's removal and the Director shall have an opportunity to be heard in person or by counsel and to present evidence.

5.5.2. Removal by the Board. Any Director may be removed from office upon the affirmative vote of two-thirds (2/3) of the duly elected or appointed members of the Board of Directors if they lack the continuing qualifications to be a director as provided in Section 5.4 or for failure to attend at least two-thirds (2/3) of all Regular and Special Board meetings in any twelve month period. On such grounds, any two (2) Directors may petition for the removal of another Director by delivering written notice signed by the petitioning Directors and delivered to the Secretary, or the Chairman if the Secretary is the Director being petitioned for removal. Any such petition filed in accordance with this Section shall be voted on at the next meeting of the Board of Directors, provided that such meeting is held more than ten (10) days after the delivery of a copy of the petition to the Director whose removal is sought as hereinafter provided. A copy of the petition for removal shall be given to the Director whose removal is sought at least ten (10) days prior to the meeting of the Board of Directors. At any meeting to remove a Director, both the Directors seeking another Director's removal and the Director shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence.

5.6. Meetings, Minutes and Quorum. The Board shall hold a regular meeting once in each of at least 10 months per year. A majority of the sitting Directors of the Board of Directors shall constitute a quorum at any meeting of the Board of Directors. If at any meeting of the Board

of Directors there should be less than a quorum present, the majority of those present may adjourn the meeting from time-to-time until a quorum is present. Minutes of Board meetings shall be kept by the Board and made available to Sunsets West Members. Special meetings of the Board can be called and organized by the Board President or two (2) Board members with at least one day (at least 24 hours) notice to all Board members and clearly stated purpose. The general policy of the cooperative is that attendance at all Board meetings by the membership shall be permitted. Notwithstanding the forgoing, no member shall be entitled to attend an executive session convened by the Board. The Board shall adopt a member attendance policy to define the forgoing.

5.7. Notice of Meetings. The Board shall regularly meet at the date, time, and location determined by the Board ("Regular Board Meeting"). The Board may hold Regular Board Meetings without notice. For good cause, the President may change the date, time, or location of a Regular Board Meeting. A Director not attending a Board Meeting at which the Regular Board Meeting date, time, or location is changed is entitled to receive notice of the Regular Board Meeting change at least three days before the next Regular Board Meeting. Special meetings of the Board of Directors may be called by the President, or by the request of 3 of the Directors serving on the Board of Directors. The Secretary of the Cooperative shall see that notice is given of the special meeting, setting forth the time, place, and purpose thereof. Notice of such special meeting shall be given in person, by mail, telephone, facsimile transmission, or by e-mail or other electronic means to each Director not less than three days prior to the special meeting. The failure of any Director to receive notice of an annual, regular or special meeting of the Board of Directors shall not invalidate any action which may be taken by the Directors at any such meeting, provided that a quorum is present.

5.8. Waiver of Notice. Unless otherwise prohibited by law, any notice required to be given under these bylaws, whether of meetings or otherwise, may be waived. Upon such waiver being made in writing and made of record on the records of the Cooperative, such waiver shall have the same force and effect as if due notice had been given. By mutual consent in writing, a meeting may be held at any time or place without other or further notice, and any and all business may be transacted at such meeting. Attendance at a meeting by a Board member is a waiver of notice of that meeting unless the Board member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not be lawfully considered at such meeting, and provided that the Board member does not participate in the consideration of the item at such meeting. Failure of a Board member to receive a notice of a meeting will not invalidate an action taken by the Board at such meeting.

5.9. Vacancies. Any vacancy on the Board of Directors arising other than by expiration of the term of office, shall be filled by a majority vote of the remaining directors; provided, however, that any director so elected must be a Member in Good Standing. The newly voted director serves the balance of the term vacated, and can run for re-election at its termination.

5.10. Conflict of Interest. A director shall as soon as practicable disclose their interest in any contract or proposed contract with Sunsets West Cooperative, and shall not vote on any question with respect to the contract or proposed contract. Directors shall not be remunerated for services performed on behalf of Sunsets West. Directors may be reimbursed for reasonable expenses incurred on behalf of Sunsets West upon the submission of requests for reimbursement with receipts. The Board shall adopt a conflict of interest policy and each year, each Director shall sign a statement that they have read and agree to comply with the Sunsets West conflict of interest policy.

5.9. Removal of Directors. Any Director of the Cooperative may, for cause, at any annual or special meeting at which a quorum of 25% of the members of the cooperative are present, be removed from office by vote of the majority of the members present. No Director shall be removed from office at either an annual or special meeting unless he or she shall be informed of the meeting at which the matter is to be considered at least ten (10) days before such meeting. Such notice shall be by registered mail addressed to him or her at his or her last known address, and he or she shall be entitled to be heard at such meeting. Notwithstanding the forgoing, a Director may be removed by the Board for failure to attend the required number of Board meetings without notice or excuse. Vacancies shall be filled by election as provided in paragraph 5.7.

5.10. Standing Committees. The following Standing Committees are established, the members of which shall serve, at the pleasure of the Board of Directors, and the activities of which shall at all times be subject to the ultimate direction of the Board of Directors:

5.10.1. Finance and Audit Committee. A Finance and Audit Committee consisting of the Treasurer and two other Board Members shall oversee or act upon other financial matters as may be assigned or authorized by the Board. The Finance and Audit Committee shall recommend to the Board a firm to perform an annual audit; review with the auditing firm the results of the annual audit, management letter, and other requested audit reports; and oversee or act upon other audit functions as may be assigned or authorized by the Board.

5.10.2. Other Committees. The Board of Directors may establish other advisory committees from time to time, as the Board of Directors, in its discretion, deems in the best interests of the Corporation. At least 50% of the members of any such committee shall be appointed from the Board of Directors.

ARTICLE VI – OFFICERS’ DUTIES

6.1. Corporate Officers. Sunsets West’s officers shall consist of a President, a Vice President, a Secretary and a Treasurer. Officers shall be selected from within the Board by the Directors no later than at the first regular meeting after the annual meeting. Terms of offices shall be for one year or until their successors are selected. Officers may be removed and replaced, with or without cause, at any time by the Board of Directors.

6.2. Duties of the President. The President shall preside at all meetings of the membership and the Board of Directors. In the absence of the President, the Vice President shall perform the duties of the President. The President oversees board affairs.

6.3. Duties of the Vice President. The Vice President shall act as President in the absence or disability of the President and perform such other duties as the Directors may, from time to time, designate.

6.4. Duties of the Secretary. The Secretary shall ensure the proper notification for membership and Board of Directors meetings, record meeting minutes, keep corporate records, including a minute book with the Articles of Incorporation, Bylaws, and rules and regulations of the Cooperative, minutes of Board and Member meetings and other important corporate records.

6.5. Duties of the Treasurer. The Treasurer shall give a monthly report to the Board of Directors and render an annual financial report to the membership. The Treasurer shall be the custodian of Sunsets West's funds and property, and keep a record of all receipts and disbursements. The Treasurer shall sign all year-end tax reports.

6.6. Other Officers and Agents. The Board may appoint as an employee of the Cooperative a Chief Executive Officer, who shall serve at the pleasure of a majority of the Board, and shall be responsible to and report directly to the Board. The Chief Executive Officer shall be responsible for the operations of the Cooperative, including the hiring and firing of personnel, purchasing and disposal of goods, supplies and equipment, financial planning and reporting, and the performance of such other duties as shall be specified by the Board.

ARTICLE VII - BYLAWS

7.1. 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 modified to conform to such statute or rule of law without affecting the validity or enforceability of any other provision of these Bylaws.

7.2. Amendment of Bylaws: These Bylaws may be amended, altered or repealed by the affirmative vote of the Board of Directors at any regular or special meeting of the Board if a notice of the proposed alteration or amendment is contained in the notice of the meeting.

ARTICLE VIII – INDEMNIFICATION

8.1. Indemnification. Sunsets West shall indemnify its officers, directors, employees and agents to the greatest extent permitted by law. Sunsets West 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 Sunsets West against any liability asserted against such person and incurred by such person in any such capacity arising out of any status as

such, whether or not Sunsets West would have the power to indemnify such person against such liability under the provisions of this Article or the Articles of Incorporation.

CERTIFICATION

This is to certify that the foregoing Bylaws were duly adopted by the Board of Directors at a meeting of the board of directors held on the ___ day of _____, 2009.

_____, Secretary

Dated: _____, 2009