

**AMENDED ARTICLES OF INCORPORATION
OF
WEST END CO-OP, INC.**

Article I—Name

From and after the adoption of these Amended Articles of Incorporation, the name of West End Co-op, Inc. shall be changed to be SUNSETS WEST COOPERATIVE (hereafter “Sunsets West” or the “Cooperative”).

Article II—Duration

The duration of Sunsets West shall be perpetual.

Article III—Mutual Corporation Act

Pursuant to RCW 24.06.525, Sunsets West shall be reorganized and converted from a corporation organized under RCW 23B to a cooperative corporation organized and governed under Chapter 24.06, Revised Code of Washington, as it now exists or by any applicable revision or amendment thereto.

Article IV-Objects, Purposes and Powers

The nature of the business of Sunsets West and the objects and purposes for which this corporation is formed are:

- (a) 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
- (b) To establish and operate a retail consumer food cooperative that strengthens the local food system by providing healthy and high quality food products to the member of the Olympic Peninsula community;
- (c) To provide fairly priced food and other goods that are produced in an ecologically sustainable, socially responsible, and economically appropriate manner, including, to the extent possible, locally produced food.

- (d) To promote cooperative values;
- (e) To educate the public and to increase its awareness about food, nutrition and health through the sale of sustainable foods and services to the Cooperative's members and other consumers and to be responsive and accountable to the community which the Cooperative serves.
- (f) To provide its members with any other cooperative services or products; and
- (g) To engage in any other lawful business or business activities for which cooperatives may be incorporated under RCW 24.06; and
- (h) 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; and
- (i) 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.

Article V—Membership

Section 1. **Eligibility for Membership.** Under terms and conditions prescribed by its Bylaws as they now exist or may hereafter be amended, Sunsets West is authorized to admit as members individuals, firms, partnerships, limited liability companies, associations, corporations, federal, state or local governmental bodies or any subdivision thereof, or any other person or legal entity that applies for the services and products furnished by Sunsets West. The Board of Directors may establish additional qualifications and requirements for membership in the Bylaws.

Section 2. **Voting Power of Members.** The voting power of each membership shall be equal and each membership shall be entitled to one vote only.

Section 3. **Quorum.** Except as required by RCW 24.06 or these articles, the bylaws may provide the number or percentage of votes that members are entitled to cast in person, by mail, or by proxy that shall constitute a quorum at meetings of members required for the approval of any matter submitted to the members for approval.

Section 4. **Termination of Membership.** Termination of membership in the Cooperative may be voluntary or involuntary and may occur under such terms, conditions and procedures as may be prescribed in the Bylaws.

Section 5. **Dissenting Members.** Any member who becomes a dissenting member pursuant to RCW 24.06.255, as the same may be amended from time to time, may be limited to a return of less than the fair value of the member's equity interest in the Cooperative, but not less than the consideration paid to or retained by the Cooperative for the equity interest of the Member unless the fair value is less than the consideration paid to or retained by the Cooperative.

**ARTICLE VI—Nonprofit Operation,
Capital Stock, Sale of Assets and Liquidation**

Section 1. **Non-Profit Operation on the Cooperative Plan.** 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 with inactive accounts. Allocation and retirement of capital credits shall be accomplished as described in the Bylaws.

Section 2. **Capital Stock.** This Cooperative may issue stock. Any existing stock of West End Co-op, Inc. shall be retired and redeemed and the former shareholders shall be eligible to be members of the Cooperative. The equity interest of the former shareholders in Sunsets West shall be determined on the same basis as other members and without regard to their former interest as shareholders.

Section 3. **Property Rights.** The unallocated interest of each member in the equity of the Cooperative shall be unequal and based on patronage. The equity interest of each member in the Cooperative shall be embodied in their membership interest as shown in the books and records of the Cooperative.

Section 4. **Sale of Cooperative Assets.** A sale, lease, exchange, or other disposition of more than 25% of the property and assets of the Cooperative may be made upon such terms and conditions and for such consideration, as may be authorized in the following manner:

(1) In no case shall the sale price be less than the pro-rated mortgaged indebtedness of the property being purchased or one hundred per cent (100%) of the book value of the property whichever is greater; and

(2) The Board of Directors shall adopt a resolution recommending a sale, lease, exchange, or other disposition and directing that it be submitted to a vote at a meeting of members, which may be either an annual or a special meeting.

(3) Written or printed notice stating that the purpose or one of the purposes of such meeting is to consider the sale, lease, exchange, or other disposition of 25% or more of the property and assets of the Cooperative shall be given to each member within the time and in the manner provided in the Bylaws for the giving of notice of meetings of members.

(4) At such meeting the members may authorize such sale, lease, exchange, or other disposition and may fix, or may authorize the Board of Directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the Cooperative therefor.

(5) Approval of such authorization shall require the affirmative vote of at least two-thirds (2/3) of the total memberships of the Cooperative entitled to vote.

(6) A mortgage, pledge or hypothecation of the assets of the Cooperative for the purpose of collateralizing or otherwise obtaining a loan or acquiring property for the Cooperative shall not be deemed a sale of assets under this paragraph and nothing in this paragraph is intended to limit the authority of the Board to enter into loan agreements, notes, mortgages, or to pledge or hypothecate Cooperative assets for that purpose without a vote of the membership.

Section 5. **Dissolution.** In the event of dissolution or final liquidation of the Cooperative, the assets of the Cooperative shall be applied to satisfy and discharge necessary expenses of liquidation and all unsatisfied liabilities and obligations of the Cooperative. Assets held by the Cooperative subject to the interest of a member or third party requiring return, transfer, or conveyance by reason of dissolution, shall be returned, transferred, or conveyed in

ARTICLE VIII—Bylaws

The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Members.

ARTICLE IX—Preferred Stock

Section 1. The Cooperative may issue up to \$1 million in Preferred Stock to Members.

Section 2. Preferred Stock shall be issued in series and shall carry no voting rights.

Interest/dividends may be paid on Preferred Stock, when, if, and as declared by the Board of Directors and shall not exceed the current annual Consumer Price Index percentage increase, or eight percent (8%) per annum. Interest/dividends will not be cumulative. Preferred Stock may be transferred only on the books of the Cooperative. Preferred Stock may be redeemed by the Cooperative in whole or in part on a pro rata basis at par, plus any interest-dividends declared and unpaid, at any time on thirty (30) days' notice by the Cooperative, provided said stock is redeemed in the same order as originally issued by years. If the owner fails to deliver any certificate evidencing such stock, the Cooperative may cancel the stock on its books. Stock which has been redeemed may, in the discretion of the Board of Directors, be reissued or retired. All such Preferred Stock so redeemed shall be paid for in cash at the par value thereof, plus any interest-dividends declared thereon and unpaid; and such stock shall not bear interest/dividends after it has been called for redemption. The following additional terms and conditions shall apply to Preferred Stock:

(1)The Cooperative shall have a lien on all of its issued Preferred Stock for all indebtedness of the holders thereof to the Cooperative.

(2)The Cooperative shall have the right to cancel all interest/dividends not claimed within six months after the notice of the distribution has been made by mail to the holder's address of record.

(3)The Board of Directors shall have the power, from time to time and at any time, to pay off or retire or secure a release or satisfaction of any Preferred Stock certificates, to compromise or settle a dispute between a holder thereof and the Cooperative, to settle an estate of a deceased or bankrupt stockholder, or to close out a stockholder's interest when he has moved from the geographic area served by the Cooperative.

(4)Upon dissolution or distribution of the assets of the Cooperative, the holders of all Preferred Stock shall be entitled to receive the par value of their stock, plus any interest-dividend declared and unpaid, before any distribution to the voting Membership.

ARTICLE IX—Principal Place of Business and Registered Agent

The principal place of business of the Cooperative is 16732 Highway 112, Clallam Bay, WA 98326, or such other location as the Board of Directors may in the future determine. The registered agent shall be _____, whose office is at _____, _____, Washington 98___; provided the Board of Directors may appoint a different registered agent by resolution.

ARTICLE X—Indemnification

Section 1. **Limitation on Liability.** To the fullest extent permitted under Chapter 23.86, RCW and/or Chapter 23B.08.320, RCW and Chapter 23B.08.500, RCW through 23B.08.600, RCW or any other applicable law, as such laws now exist or may hereafter be amended, the

Cooperative may limit or eliminate the liability of Directors, officers and agents for acts or omissions as a Director, officer or agent. The Cooperative may also indemnify and defend Directors, officers or agents against claims for acts or omissions as a Director, officer or agent, including by the advancement of costs of defense and/or the purchase of insurance that indemnifies and holds such Directors, officers and agents harmless against such claims. Any amendment to or repeal of this Article shall not adversely affect any right or protection of a Director of the Cooperative for or with respect to any acts or omissions of such Director, officer or agent occurring prior to such amendment or repeal.

Section 2. **Indemnification.** Notwithstanding the foregoing Section 1, no indemnification shall be provided for acts or omissions finally adjudged to be intentional misconduct or a knowing violation of law, for conduct finally adjudged to be in violation of Section 23B.08.310 of the Washington Business Corporation Act, for any transaction with respect to which it was finally adjudged that such Director, officer or agent personally received a benefit in money, property or services to which such Director, officer or agent was not legally entitled or if the Cooperative is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560 or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this Section 2 shall be as set forth in such amended statutory provision.

Dated this ____ day of _____, 2009.

West End Co-op, Inc.

_____, Secretary
(print name)