

EXHIBIT B

BYLAWS

**BYLAWS OF
PHOTOGRAPHERS & ILLUSTRATORS COPYRIGHT
AGENCY, INC.**

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BYLAWS
OF
PHOTOGRAPHERS & ILLUSTRATORS COPYRIGHT AGENCY, INC.

ARTICLE I

OFFICES

Section 1.1. Registered Office. The corporation's registered office in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, and its registered agent in Delaware is the Corporation Trust Corporation.

Section 1.2. Other Offices. The corporation may also have an office or offices in other places, as determined by the Board of Directors (the "Board").

ARTICLE II

COOPERATIVE OPERATION

Section 2.1. Nature of Operation. The corporation will be operated on a cooperative basis for the benefit of the holders of shares of its Common Stock (referred to herein as Membership Common Stock) as patrons. The holders of shares of the Membership Common Stock of the corporation are its members.

Section 2.2. Membership. Membership Common Stock will only be issued to and held by individuals, partnerships, corporations, or other entities, who are photographers or illustrators and who meet the following requirements:

- (a) subscribe and pay for one share of Membership Common Stock at its par value, plus an additional capital amount in excess of its par value as the Board may determine at the time of issuance,
- (b) agree to all reasonable participation requirements, as determined by the Board,
- (c) be approved for membership in the corporation by the Board,
- (d) consent to the tax treatment of patronage dividends provided in Section 8.4 hereof,
and
- (e) execute membership agreements with the corporation if then required by the Board in the form determined by the Board.

The Board may set other membership requirements as are determined necessary or desirable to accomplish the purposes of the corporation.

Section 2.3. Limitation on Ownership of Membership Common Stock. No individual, partnership, corporation, or other entity may own more than one share of Membership Common Stock.

Section 2.4. Common Control. If two or more stockholders of the corporation are under common control, the Board will establish the stock to be issued, the amount to be paid for the stock, and the dues and other fees of these stockholders. Common control will exist when one person or entity, directly or indirectly, holds fifty percent (50%) or more of the voting power of two or more stockholders or when one stockholder, directly or indirectly, holds fifty percent (50%) or more of the voting power of one or more other stockholders in a parent-subsidary type relationship.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 3.1. Place of Meetings. All meetings of the stockholders, whether annual or special, will be held at the offices of the corporation or at another place determined by the Board. The Board may determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication, subject to such guidelines and procedures as the Board may adopt. If the Board determines to hold a meeting, whether annual or special, by remote communications, the stockholders may participate in such meeting by means of remote communication and will be deemed present in person and vote at a meeting of stockholders, provided that (1) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (2) the corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (3) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record or such vote or other action shall be maintained in the records of the corporation.

Section 3.2. Annual Meetings. An annual meeting of the stockholders will be held each year, on a date determined by the Board, at which they will elect directors and transact other business properly brought before the meeting.

Section 3.3. Notice of Meeting. Written notice of the annual meeting stating the place, if any, date and hour of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, will be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the U.S.

mail, postage prepaid, and directed to the stockholder at the address appearing on the records of the corporation.

Section 3.4. Stockholders' List. At least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order and showing the address of each stockholder will be prepared by the Secretary. The corporation is not required to include electronic mail addresses or other electronic contact information on such list. Such list will be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. If the corporation makes such list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to the stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 3.5. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation (the "Certificate"), may be called by the Chairman of the Board or President and will be called by the Secretary at the request in writing of a majority of the Board, or at the request in writing of stockholders having at least thirty-five percent (35%) of the voting power of the corporation. Such request will state the purpose or purposes of the proposed meeting.

Section 3.6. Notice of Special Meetings. Written notice of a special meeting, stating the place, if any, date and hour of the meeting and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the purpose or purposes for which the meeting is called, will be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the U.S. mail, postage prepaid, and directed to the stockholder at the address appearing on the records of the corporation.

Section 3.7. Quorum. A quorum for the transaction of business at all meetings of stockholders will consist of stockholders having one-fifth of the voting power of the corporation, present in person or represented by proxy, except as otherwise provided by statute, by the Certificate or by these Bylaws. If, however, a quorum does not exist at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, will have the power to adjourn the meeting, without notice other than announcement at the meeting, of the place, if any, date and hour of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, until a quorum shall again be present or represented by proxy. At the adjourned meeting at which a quorum exists, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for

more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be given to each stockholder of record entitled to vote at the meeting.

Section 3.8. Voting. When a quorum is present at any meeting, and subject to the provisions of the General Corporation Law of the State of Delaware, the Certificate or these Bylaws, a majority vote of the stockholders, present in person or represented by proxy, will decide any question brought before the meeting, unless the question is one upon which, by express provision of the statute, the Certificate, or these Bylaws, a different vote is required, in which case this express provision will govern and control the decision on the question.

Section 3.9. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for the stockholder by proxy. The stockholder may authorize such person(s) to act as proxy by means of an electronic transmission provided that such electronic transmission must either set forth or be submitted with information from which it can be determined that it was authorized by the stockholder. No proxy will be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

ARTICLE IV

DIRECTORS

Section 4.1. General Powers. The business and affairs of the corporation will be managed under the direction of the Board which may exercise all powers of the corporation and do all things that are not required to be exercised or done by the stockholders under the General Corporation Law of the State of Delaware, the Certificate, or these Bylaws .

Section 4.2. Number of Directors. The number of directors will be from five to nine, as determined by the Board of Directors. Starting with the first annual meeting, the directors shall be elected for staggered terms: one-third elected for a term of one year, one-third elected for a term of two years, and one-third elected for a term of three years. If the number of directors does not divide evenly into thirds, the Board shall make a reasonable division as closely as possible approximating a division into thirds. No director will be elected for more than two consecutive full 3-year terms. Directors will hold office until a successor is elected and qualified, until earlier resignation or removal or until completion of two full-terms. However, the non-member directors will be elected by the majority vote of the other board members and are not limited to two consecutive full terms.

Section 4.3. Qualifications of Directors. With the exception of two director positions, each director must be a stockholder or officer of the corporation or an owner or employee of a stockholder of the corporation. No person will be eligible for the office of director if such person is in competition or is affiliated with any enterprise that is in competition with the corporation.

Section 4.4. Vacancies. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, or a new directorship is created, the remaining directors will choose a successor or successors, or a director to fill the newly created directorship, who will hold office for the unexpired term and until a successor is elected and qualified.

Section 4.5. Place of Meetings. (a) The Board may hold meetings outside the State of Delaware, at the offices of the corporation, or at another place determined by the Board. The meeting place may be fixed in the notice or waiver of notice of the meeting. The Board may determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication, subject to such guidelines and procedures as the Board may adopt. If the Board determines to hold a meeting, whether annual or special, by remote communications, the directors may participate in such meeting by means of remote communication and will be deemed present in person and vote at a meeting of directors, provided that (1) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a director, (2) the corporation shall implement reasonable measures to provided such directors a reasonable opportunity to participate in the meeting and to vote on matters submitted to the directors, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (3) if any director votes or takes other action at the meeting by means of remote communication, a record or such vote or other action shall be maintained in the records of the corporation.

(b) Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

Section 4.6. Committees of Directors. The Board may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified committee members. To the extent provided by the Board, a committee may exercise all the power and authority of the Board in the management of the corporation, but no committee will have the power or authority to amend the Certificate, adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's assets, recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amend the Bylaws; and, unless the Board, the Bylaws, or the Certificate expressly so provide, no committee will have the power or authority to declare a patronage dividend or to authorize the issuance of stock. Committees will keep regular minutes of their proceedings and report to the Board when required.

Section 4.7. Compensation of Directors. Directors may receive compensation for their services as a director to the extent established by resolution of the stockholders. This limitation will not preclude directors from receiving compensation for services in any other capacity. Directors will be reimbursed reasonable expenses for attending regular or special Board meetings, unless otherwise established by resolution of the shareholders.

Section 4.8. Annual Meeting. The annual meeting of the Board will be held prior to the annual meeting of the stockholders each year. Notice of this meeting, unless waived, may be given by mail or telegram along with the notice of the annual meeting of stockholders to each director elected at such annual meeting, at such person's address as the same may appear on the records of the corporation, or in the absence of such address, at the person's residence or usual place of business. The Board will determine the place of the annual meeting, and the place will be specified in the notice or waiver of the meeting.

Section 4.9. Special Meetings. Special meetings of the Board may be held at any time on the call of the Chairman of the Board or the President or at the request in writing of a majority of the directors. Notice of a special meeting, unless waived, will be given by mail, telegram, or other means of electronic or telephonic transmission to each director at the person's address as it appears on the records of the corporation, or sent to the director's electronic or telephone number contained in the records of the corporation, not less than five day prior to the day on which the meeting is to be held if the notice is by telegram or other electronic or telephonic means of transmission, and not less than five days prior to the day on which the meeting is to be held if the notice is by mail. If the Secretary fails or refuses to give the required notice, then the notice may be given by the officer or any one of the directors making the call. A special meeting may be held at a place determined by the Board and the place will be specified in the notice of the meeting or waiver thereof. Any meeting of the Board will be a legal meeting without any notice thereof having been given, if all the directors are present. Notice of a meeting will not be required to be given to any director who attends the meeting.

Section 4.10. Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board or any committee thereof may be taken without a meeting, if a consent, in writing or by electronic transmission, to the action is signed or transmitted by all members of the Board or of such committee, as the case may be, and the written consent or electronic transmission or transmissions are filed with the minutes of proceedings of the Board. Such filings shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.11. Quorum and Manner of Acting. Except as otherwise provided in these Bylaws, a majority of the total number of directors at the time specified by the Bylaws will constitute a quorum at any regular or special meeting of the Board. Except as otherwise provided by statute, the Certificate or these Bylaws, the vote of a majority of the directors present at any meeting at which a quorum is present will be the act of the Board. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice will be given to all directors if the adjournment is for more than thirty days.

Section 4.12. Removal. Any director may be removed at any time with cause under the following circumstances:

(a) Any director who is absent from three consecutive meetings of the Board without good cause will be subject to removal from the Board or Directors at the next annual or

at a special meeting of the stockholders of the corporation by the holders of a majority of the stock then entitled to vote at an election for directors.

(b) Any stockholder may bring charges asserting other good cause for removal of a director by filing such charges in writing with the Secretary of the corporation, together with a petition requesting removal signed by the stockholders having twenty-five percent (25%) of the voting power of the corporation. A special meeting of the stockholders will be promptly held after due notice is given of such special meeting as provided in Section 3.6. The director involved will be given a copy of the charges reasonably in advance of the meeting, and the director so charged and the complainant will have an opportunity at the meeting to be heard and to present and cross-examine witnesses. The stockholders may remove the director by the affirmative vote of the holders of three-quarters (3/4) of the voting power of the corporation.

ARTICLE V

OFFICERS

Section 5.1. Executive Officers. The executive officers of the corporation will be a Chairman of the Board, a Vice Chairman of the Board, a President, such number of Vice Presidents, if any, as the Board may determine, a Secretary and a Treasurer. One person may hold any number of said offices.

Section 5.2. Election, Term of Office and Eligibility. The executive officers of the corporation will be elected annually by the Board at its annual meeting or at a special meeting held in lieu thereof. Each officer, except such officers as may be appointed in accordance with the provisions of Section 5.3, will hold office until his successor shall have been duly chosen and qualified or until his death, resignation or removal. None of the officers need be members of the Board.

Section 5.3. Subordinate Officers. The Board may appoint other officers and agents, set their terms of office, and establish their responsibilities. The Board may also authorized the President or the Executive Committee to appoint subordinate officers or agents of the corporation.

Section 5.4. Removal. The executive officers of the corporation may be removed at any time, either with or without cause, but only by the affirmative vote of the majority of the total number of directors at the time specified by the Certificate or the Bylaws. Any subordinate officer appointed pursuant to Section 5.3 may be removed at any time, either with or without cause, by the majority vote of the directors present at any meeting of the Board or by any committee or officer empowered to appoint such subordinate officers.

Section 5.5. The Chairman of the Board. The Chairman of the Board will preside at all meetings of the stockholders and the Board, represent the corporation and Board as specified by the Board, and assume other duties and responsibilities assigned by the Board.

Section 5.6. The Vice Chairman of the Board. The Vice Chairman of the Board will preside at all meetings of the stockholders and the Board at which the Chairman is not present. The Vice Chairman will represent the corporation and Board as determined by the Board, and assume other duties and responsibilities assigned by the Board.

Section 5.7. The President. The President will perform duties assigned by the Board or the Chairman of the Board acting on behalf of the Board.

Section 5.8. The Vice Presidents. In the event of the absence or disability of the President, each Vice President, in the order designated, or in the absence of any designation, then in the order of their election, will perform the duties of the President. The Vice Presidents will also perform such other duties as from time to time may be assigned to them by the Board or by the President.

Section 5.9. The Secretary. The Secretary will:

(a) keep (or cause to be kept) the minutes of the meetings of the stockholders and of the Board;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(c) be custodian of the records and of the seal of the corporation and see that the seal or a facsimile or equivalent thereof is affixed to or reproduced on all documents, the execution of which on behalf of the corporation under its seal is duly authorized;

(d) have charge of the stock record books of the corporation; and

(e) in general, perform all duties incident to the office of Secretary, and such other duties as are provided by these Bylaws and as from time to time are assigned to him by the Board or by the President.

Section 5.10. The Assistant Secretaries. If one or more Assistant Secretaries are appointed under Section 5.3, then at the request of the Secretary or in the absence or disability of the Secretary, the Assistant Secretary designated by the Secretary will perform the duties of the Secretary and when so acting will have all the powers of, and be subject to all the restrictions upon, the Secretary.

Section 5.11. The Treasurer. The Treasurer will:

(a) receive and be responsible for all funds of and securities owned or held by the corporation and, in connection therewith, among other things: keep or cause to be kept full and accurate records and accounts for the corporation; deposit or cause to be deposited to the credit of the corporation all money, funds and securities so received in such bank or other depository as the Board or an officer designated by the Board may from time to time establish; and disburse or supervise the disbursement of the funds of the corporation as may be properly authorized.

(b) render to the Board at any meeting thereof, or from time to time whenever the Board or the President may require, financial and other appropriate reports on the condition of the corporation; and

(c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board or by the President.

Section 5.12. The Assistant Treasurers. If one or more Assistant Treasurers are appointed under Section 5.3, then at the request of the Treasurer or in the absence or disability of the Treasurer, the Assistant Treasurer designated by the Treasurer will perform all the duties of the Treasurer and when so acting will have all the powers of and be subject to all the restrictions upon the Treasurer.

Section 5.13. Salaries. The salaries of the officers will be set by the Board, and no officer will be prevented from receiving a salary by reason of the fact that he or she is also a director of the corporation.

Section 5.14. Bonds. If the Board or the President shall so require, any officer or agent of the corporation will give bond to the corporation in such amount and with such surety as the Board or the President, as the case may be, may deem sufficient, conditioned upon the faithful performance of their respective duties and offices. The corporation will pay for the bond.

Section 5.15. Delegation of Duties. In case of the absence of any officer of the corporation or for any other reason found sufficient by the Board, the Board may delegate an officer's powers and duties, or any portion thereof, to any other officer or to any director. The Board may delegate the management of the day-to-day operation of the business of the corporation to a management corporation or other person provided that the business and affairs of the corporation will be managed and all corporate powers will be exercised under the ultimate direction of the Board.

ARTICLE VI

SHARES OF STOCK

Section 6.1. Regulation. Subject to the terms of any contract of the corporation, the Board may make rules and regulations concerning the issuance, transfer, and registration of certificates for shares of the stock of the corporation, including the issuance of new certificates for lost, stolen or destroyed certificates, and including the appointment of transfer agents and registrars.

Section 6.2. Stock Certificates. Stock of the corporation may be issued with or without certificates as determined by the Board in accordance with the Delaware General Corporation Law. Stock certificates will be numbered serially for each class of stock, or series thereof, as they are issued, will be impressed with the corporate seal or a facsimile thereof, and will be

signed by the President or a Vice President, and by the Secretary or Treasurer, or an Assistant Secretary or an Assistant Treasurer, provided that such signatures may be facsimiles on any certificate countersigned by a transfer agent other than the corporation or its employee. Each certificate will exhibit the name of the corporation, the class (or series of any class) and number of shares represented thereby, and the name of the holder. Each certificate will be otherwise in such form as may be prescribed by the Board.

Section 6.3. Restriction on Transfer of Membership Common Stock.

(a) For purposes of these Bylaws, the term "transfer" will mean any sale, assignment, pledge, gift or other disposition of any shares or any interest therein, any change of control of a corporate stockholder or sale of fifty percent (50%) of the voting control of a stockholder within a two (2) year period, any transfer by operation of law as a result of the merger, consolidation, bankruptcy or other change of form of a corporate stockholder, or for a member that is a partnership, any change in the composition of the partnership. The passing of stock or partnership interest by inheritance and purchases and sales within a family of individuals will not constitute a transfer under this section.

(b) The Membership Common Stock is an incident of membership and is not transferable. If Membership Common Stock is transferred in violation of this restriction, it will be treated as a withdrawal from membership. Membership Common Stock transferred to an ineligible holder will not entitle the ineligible holder to do business with the corporation or otherwise participate in the organization as a member.

(c) Upon withdrawal or termination of membership, Membership Common Stock will be repurchased in accordance with Section 9.3.

Section 6.4. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any patronage dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which will not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

If no record date is fixed:

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders is the close of business on the day next preceding the day on which notice is given, or, if notice is waived, the record date is the close of business on the day next preceding the day on which the meeting is held;

(b) The record date for determining stockholders entitled to express consent to corporation action in writing without a meeting, when no prior action by the Board is necessary, is the day on which the first written consent is expressed;

(c) The record date for determining stockholders for any other purpose is the close of business on the day on which the Board adopts the resolution relating thereto.

The determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders applies to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 6.5. Lost Certificate. Any stockholder claiming that a certificate representing shares of stock has been lost, stolen or destroyed may make an affidavit or affirmation of this fact and, if the Board so requires, give the corporation a bond of indemnity in a form and with security for an amount satisfactory to the Board (or an officer or officers designated by the Board), whereupon a new certificate may be issued as a replacement.

ARTICLE VII

BOOKS AND RECORDS

Section 7.1. Location. The books, accounts and records of the corporation may be kept at such place or places within or without the State of Delaware as the Board may determine.

Section 7.2. Inspection. The books, accounts, and records of the corporation will be open to inspection by any member of the Board at all times; and open to inspection by the stockholders at such times, and subject to such regulations as the Board may prescribe, except as otherwise provided by statute.

Section 7.3. Audit. A qualified firm of certified public accountants will be designated as auditors by the Board prior to the corporation's close of business for each fiscal year to audit and examine the books of account of the corporation, and to certify and report in writing to the Board and stockholders the annual balances and condition of such books as prepared at the close of the fiscal year under the direction of the treasurer of the corporation. No director or officer of the corporation, and no firm or corporation of which any officer or director of the corporation is a member, will be eligible to serve as auditor. The compensation of the auditors will be determined by agreement between the Board and the auditing firm at the time of its employment.

ARTICLE VIII

PATRONAGE REFUNDS

Section 8.1. Obligation to Account.

(a) Within a reasonable time after the end of each fiscal year, the Board will determine the net earnings of the corporation for said fiscal year, which determination will be made in accordance with generally accepted accounting principles and accepted business procedures.

(b) The net earnings of the corporation for said fiscal year from all business of the corporation other than business done with or for members shall be retained by the corporation as unallocated reserves or surplus. In setting aside funds for reasonable reserves for necessary purposes for the corporation, the Board will first set aside such net earnings. If there are no net earnings upon such business, or if such net earnings are insufficient to provide funds for reasonable reserves for necessary purposes for the corporation, reasonable reserves may be set aside and paid from the net earnings on business done with or for members.

(c) After providing for reasonable reserves in the manner described above, all remaining net earnings of the corporation for said fiscal year shall be allocated to the holders of shares of Membership Common Stock upon the basis of the value of business done with the corporation during said fiscal year and amounts so allocated shall be distributed within the payment period set forth in Section 1382(d) of the Internal Revenue Code. The Board may further obligate the corporation, by written agreement, prior to the furnishing of services or other items for which such obligation shall exist, to account to nonmember patrons for all of the patronage activities of the corporation in the same manner, share and share alike, with members participating in the same activity.

Section 8.2. Distribution of Net Earnings.

(a) The net earnings to be distributed annually shall be distributed in accordance with such separate allocation units or pools as may be established by the Board and on the basis of the value of business done with or for members. Allocation units may be established by the Board of Directors on a reasonable and equitable basis and they may be functional, divisional, departmental, geographic, or otherwise; provided, that if the Board of Directors establishes a separate business group within the corporation, the separate business group shall be accounted for as a separate allocation unit. Until different allocation units are established by the Board of Directors, the entire business of the corporation shall be considered one and the only allocation unit. The Board of Directors shall adopt reasonable and equitable accounting procedures as will, in the Board's judgment, equitably allocate among the allocation units the corporation's income, gains, expenses and losses.

(b) In making patronage distributions in accordance with Subsection (a), the corporation is authorized to make distributions in the form of cash, property, or written notices of allocation as determined by the Board. Written notices of allocation will be repurchased at the discretion of the Board. Written notices of allocation will not be entitled to receive interest or dividends, and will not be transferable or assignable without the consent of the corporation.

(c) The corporation must account for the net earnings resulting from nonmember business as a separate allocation unit from any business transaction with patrons. The corporation may not distribute any cash or property attributable to net earnings realized from nonmember business.

Section 8.3. Capital Fund. The Board may provide for a provision of capital according to a Base Capital Plan. If the Board adopts a Base Capital Plan, a capital fund ("Capital Fund") will be maintained by the corporation for the purpose of providing capital required to operate the business of the corporation. The Board will determine the total amount needed in the Capital Fund and may make any adjustments determined to be necessary. The members will be responsible for making any required contributions to the Capital Fund on the basis of the amount of business transacted by them with the corporation over an appropriate historical period as determined by the Board in comparison with the total amount of business transacted with stockholders during such period. The Board will determine the method by which members may make any capital contributions to fulfill their requirements to the Capital Fund. Such contributions may be made through the issuance of written notices of allocation. Members with capital accounts in excess of the required amount may have such excess in written notices of allocation repurchased by the corporation as determined by the Board.

Section 8.4. Consent. Each person who hereafter applies for and is accepted to membership in this corporation shall, by such act alone, consent that the amount of any distributions with respect to his patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388) and which are received by him from the corporation, will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by him, provided, however, that this consent will not extend to written notices of allocation clearly denominated on their face to be "nonqualified."

Section 8.5. Liens. The corporation will have first lien upon all shares of its capital stock, written notices of allocation, and upon all patronage dividends declared for any indebtedness of the respective holders thereof to the corporation.

Section 8.6. Losses. In the event the corporation sustains a loss for any fiscal year in any allocation unit, the corporation may at the discretion of the Board (a) carry such loss forward to subsequent years within such allocation unit or (b) apportion such loss among the patrons participating in such allocation unit on a cooperative basis and recoup the amount due from each patron by offsetting it, in whole or in part, against patronage due such patron in future years or against written notices of allocation of such patron.

ARTICLE IX

SUSPENSION OR TERMINATION

Section 9.1. Suspension of Membership. The Board may suspend the membership of any member who

(a) fails to report net purchases monthly and quarterly on the schedule established by the Board,

(b) fails to meet the participation requirements set forth in Section 2.2(b) of these Bylaws,

(c) fails to respond to information requests and surveys in a timely manner,

(d) fails to pay program assessments in a timely manner,

(e) fails to abide by all the provisions of the Membership Agreement, these Bylaws, and any other agreement between the member and the corporation, or

(f) fails on more than one occasion to make timely payments to the corporation or to a vendor participating in the corporation's purchasing program.

Upon suspension, all membership privileges shall cease and all business transacted with the corporation while membership is suspended will not be counted in determining patronage dividend payments for the year. Upon removal of the cause for suspension, the suspension of membership will be automatically lifted, and the previously suspended member will be entitled to all membership privileges.

Section 9.2. Expulsion from Membership.

(a) The Board may terminate the membership of a member for good cause, after notice to the member and a hearing. Good cause for termination will include, but not be limited to, the following: (i) failure to take appropriate action in a timely manner to remove the cause for suspension, (ii) failure of the member to patronize the corporation for a period of twelve months or otherwise not actively support the business of the corporation, or (iii) activities of the member against the best interests of the corporation. Before voting upon the termination of the membership of a member, the Board will provide the member with a full statement in writing of the charges against the member alleged to constitute good cause for termination. Such notice will specify the place, date, and hour of a hearing before the Board of the charges, which hearing will not be less than ten days after service of such notice on the member. At the hearing, the member may be represented by counsel and will have the privilege of presenting and cross-examining witnesses on his behalf.

(b) Upon termination, all membership privileges shall cease and all business transacted with the corporation will not be counted in determining patronage dividend payments for the year.

Section 9.3. Rights and Obligations Upon Termination of Membership. In the case of withdrawal, retirement, death, or expulsion, or other termination of the membership of a member:

(a) Repurchase of Membership Common Stock. Any Membership Common Stock held by such member will be repurchased for an amount per share in cash equal to the par value thereof, plus the additional capital amount paid for such Membership Common Stock, if any, in excess of its par value at the time of issuance, and the payment will be made within thirty days of the close of the fiscal year in which the member terminates; provided, however, that the corporation may retain the amount of any admission fees or other assessments charged at the time of the member's admission which were nonrefundable.

(b) Repurchase of Written Notices of Allocation. Any written notices of allocation held by such terminating member will be repurchased at their stated value, in cash, and the payment will be made within thirty days of the close of the fiscal year in which the member terminates.

(c) Extension of Payment Period. If the Board, in its sole discretion, determines that the financial condition of the corporation does not permit it to repurchase a member's stock or written notices of allocation for cash as provided by Section 9.3(a) or (b), the Board may make any or all of the payments called for therein with an unsecured five (5) year promissory note of the corporation providing for interest at the rate of five (5) year promissory notes then being issued by the United States Treasury, payable annually on the anniversary date of such note.

(d) Offset. The Board may, in its sole discretion, offset the amount payable for a member's stock or written notices of allocation against any indebtedness of such member to the corporation. The member will have no right to offset the amount of such stock or written notices of allocation against any indebtedness it may have to the corporation. At times other than the termination of membership, the Board may, in its sole discretion, apply to any indebtedness of a member owing to the corporation the amount of all or a part of such member's written notices of allocation, as shown on the records of the corporation, but this provision will confer no obligation upon the Board so to do, nor any right upon the member to compel or insist upon such offset.

(e) Property Rights. Each member is received into membership upon the express agreement on the part of such member, and upon the condition that the value of a member's property interest or other membership rights in the corporation, prior to dissolution, merger or consolidation of the corporation, is limited to the par value of the Common Stock, plus the additional capital amount paid for such stock, if any, as well as the stated value of any written notices of allocation issued to such member, and that in the event of termination, whether by expulsion or otherwise, the member will not be entitled to be paid anything else for the value of its property interest or other membership rights.

(f) Duty of Member Following Termination. Immediately after the resignation of a member from the corporation or the termination of a member's membership in the corporation, the member will, at member's sole cost and expense:

(i) remove all Marks, signs, and displays and emblems of the corporation from each Location,

(ii) cease using the Marks of the corporation, and

(iii) promptly deliver at the member's sole cost to the corporation or its agents all corporation information and all samples, sales aids, signage, literature, displays, catalogues, bulletins, price information, discount information, purchase orders, micro-film and other similar information or materials supplied to member by the corporation.

For purposes of these Bylaws, "Marks" will mean all trade names, trademarks, service marks, logos, insignia, collective service marks, and collective trademarks now owned or used by the corporation, and all modifications and enhancements thereto.

For purposes of these Bylaws, "Corporation Information" means the concepts, ideas, know-how and structure of corporation, including, but not limited to, marketing methods and concepts, advertising materials (regardless of the communication medium used to create such advertising materials), Corporation financial information (including, without limitation, any and all financial statements, projections, reports and etc. with respect to any operation of the corporation, including revenues, expenses, patronage dividends, manufacturers rebates, minimum purchase requirements or any other matter), internal bulletins, correspondence, internal price information, product cross reference information, computer software and hardware developed by or in conjunction with the corporation, price discount information, purchasing methods and programs, supply sources, packaging methods and operations, confidential information, books, records, plans, designs, flow charts, drawings, copyrights, techniques, Marks, and any other materials relating to the idea, design, concept, management and operation of the corporation, and any and all modifications, improvements, additions and changes thereto.

After termination of a member's membership in the corporation, the corporation or its agents may at any time enter upon Member's premises or elsewhere to take possession and remove the items described in (i) and (iii) of this Section 9.3(f) and all other material furnished by the corporation to the member, together with any other item bearing any of the Marks, and the corporation will not be guilty of trespass or any other tort in connection therewith.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1. Fiscal Year. The fiscal year of the corporation will end on the 30th day of June of each year or on such other date as determined by the Board.

Section 10.2. Depositories. The Board or an officer designated by the Board will appoint banks, trust companies, or other depositories in which the money or securities of the corporation will be deposited.

Section 10.3. Checks, Drafts and Notes. All checks, drafts, or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of the corporation will be signed by the officer or officers or agent or agents designated by the Board or by an officer appointed by the Board.

Section 10.4. Contracts and Other Instruments. The Board may authorize any officer, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 10.5. Notices. (a) Except as provided in paragraph (b), whenever notice is required to be given to any director or stockholder under the provisions of a statute, the Certificate, or these Bylaws, it will not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, or by FAX or other electronic or telephonic transmission in written form to the recipient's business or home (with telephonic confirmation of receipt of a clearly legible copy), and notice will be deemed to be given when it is mailed or otherwise sent.

(b) Any notice to stockholders given by the corporation pursuant to statute, the Certificate or these Bylaws shall be effective if given in the form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and (2) such inability becomes known to the secretary or assistant secretary of the corporation or to the transfer agent, or to the person responsible for the giving of notice; provided, however, that inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Section 10.6. Waivers of Notice. Whenever any notice is required to be given by a statute, the Certificate, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, will be deemed equivalent to notice. Attendance of a person at a meeting or participation of a Board member in a Board telephone conference call will constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission. Waiver of notice of a directors meeting may also be given by signing at the foot of the minutes of the meeting an approval of such minutes, or approval, without objection, of the minutes of such meeting at a subsequent meeting of the Board, attended by the director who was absent from the first-mentioned meeting.

Section 10.7. Stock in Other Corporations. Any shares of stock in any other corporation which may be held by this corporation may be represented and voted at a meeting of stockholders of such corporation by the President or a Vice President, or by any other person or persons authorized by the Board, or by any proxy designated by written instrument of appointment executed in the name of this corporation by its President or a Vice President. Shares of stock belonging to the corporation need not stand in the name of the corporation, but may be held for the benefit of the corporation in the individual name of the Treasurer or of any other nominee designated for the purpose by the Board. Certificates for shares so held for the benefit of the corporation will be endorsed in blank or have proper stock powers attached so that the certificates are at all times in due form for transfer, and will be held for safekeeping in such manner as shall be determined by the Board.

Section 10.8. Indemnification and Insurance.

(a) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, will be indemnified by the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent will not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The corporation will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of Delaware or such other court shall deem proper.

(c) Any indemnification under Subparagraphs (a) and (b) of this Section 10.8 (unless ordered by a court) will be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in the first two paragraphs of this Section 10.8. Such determination will be made by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or if such a quorum is not obtainable (or, even if obtainable a quorum of disinterested directors so directs) by independent legal counsel in a written opinion, or by the stockholders.

(d) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Section 10.8.

(e) Indemnification and advancement of expenses provided by or granted pursuant to the other Subparagraphs of this Section 10.8 will not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(f) The corporation shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Section 10.8.

(g) For the purposes of this Section 10.8, all words and phrases used herein will have the meanings ascribed to them under Section 145 of the General Corporation Law of the State of Delaware.

Section 10.9. Indemnification by Member. Upon receipt of a written request from the Board, a member will indemnify and hold the corporation harmless from any claims, demands, damages, costs, or expenses, including reasonable attorney's fees, incurred by the corporation in a legal proceeding filed against a member in which the corporation is made a party, arising from or relating to the acts or omissions, or the alleged acts or omissions of such member. Upon receipt of such written request, the member will be obligated to pay the corporation such amount, plus interest, from the date of the member's receipt of said request.

Section 10.10. Amendment of Bylaws. The Bylaws may be amended by a majority vote of the common stockholders, present in person or represented by proxy, at any annual or special

meeting of the stockholders if notice of the proposed Bylaw amendment is provided with notice of the meeting.

The Board, by the affirmative vote of a majority of the whole Board, may amend these Bylaws at any meeting. Bylaw provisions adopted by the Board may be amended or repealed by the stockholders.

WRITTEN NOTIFICATION OF BYLAW PROVISION
CONTAINING MEMBER'S CONSENT TO
TAKE WRITTEN NOTICES OF ALLOCATION INTO INCOME
AND
COPY OF BYLAW PROVISION

This is to notify members of this cooperative that membership in this organization constitutes consent by each member that, for Federal income tax purposes, it will take into income, at their stated value, all qualified written notices of allocation received from the cooperative in accordance with 26 U.S.C. § 1385(a) and that these written notices of allocation will be taken into income in the year in which they are received.

This requirement is contained in Article VIII, Section 4 of the Bylaws, a copy of which is set forth below:

Section 8.4. Consent. Each person who hereafter applies for and is accepted to membership in this corporation shall, by such act alone, consent that the amount of any distributions with respect to his patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388) and which are received by him from the corporation, will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by him, provided, however, that this consent will not extend to written notices of allocation clearly denominated on their face to be "nonqualified."