

Notwithstanding any other provisions of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron, if the legal representation of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby; and, provided, further, however, that, if acting under policies of general application, the amount (or percentage) authorized by the Board to be retired is not sufficient to retire the capital credited to any such patron or patrons in full, such patron or patrons shall have the balance of capital credited to them retired in the next succeeding year before any other retirements are made in such succeeding year. Further, the Board at its discretion and by resolution may provide for and deduct and use the first five dollars (\$5.00) of a patron's Capital Credit due him as herein provided for the payment of a membership in said association; a notice of such deduction and of payment of membership is to be sent to such patron or representative thereof, within thirty (30) days thereafter.

The Board, in its discretion, shall have the power at any time to provide for the special retirement of capital credits of current and former members of the Cooperative that have been members of the Cooperative for a number of years determined by the

Board. As determined by the Board, such accelerated retirement may be on a discounted basis. The terms and conditions of, and the manner, method, and timing of, any such special retirement, and the amount of and limitations on capital credits to receive special retirement, shall be determined by the Board in its sole discretion.

When any provision of these Bylaws authorizes discounted retirement of capital credits, the Board is authorized to determine the applicable capital rotation period, the discount rate, and any other factor relevant to calculating the discounted value of capital credits. The Cooperative's payment of specially retired capital credits on a discounted basis as provided hereunder shall constitute a full and final settlement and discharge of any right to the full face value of such capital credits. The difference between the full face value of the capital credits and the discounted value of such capital credits determined for purposes of special retirement shall be deemed (i) received by the patron and (ii) immediately contributed to the Cooperative in exchange for a new equity interest in the Cooperative that is payable only upon dissolution of the Cooperative and that shall entitle the holder to no interest, rate of return, or dividends.

Prior to making payment of any specially retired capital credits to a patron hereunder, the Cooperative shall, to the extent permitted by law, be entitled to offset such payment against any amounts owed by such patron to the Cooperative.

The Board is hereby authorized to adopt such rules, regulations and policies as they deem necessary or advisable to carry out the provisions of these Bylaws. The