

BY-LAWS OF THE
ALBERTA COOPERATIVE GROCERY
Approved March 22^h, 2011

Article I
Name and Location

I.1 The name of the organization shall be Alberta Cooperative Grocery, Incorporated (hereafter the "Cooperative").

I.2 The principal place of business of the Cooperative shall be located at 1500 N.E. Alberta, Portland, Oregon, 97211.

Article II
Vision, Statement of Purpose and Principle

II.1 The Cooperative envisions a diverse North/Northeast Portland community that recognizes the important link between a healthy and sustainable food system and healthy and sustainable neighborhoods.

II.2 The purpose of the Cooperative shall be to strive toward achieving the above vision. The Cooperative shall provide high quality, healthy and affordable food and products. The Cooperative shall obtain such products primarily from local, regional, organic and socially responsible sources. The Cooperative shall function as a neighborhood and community resource, informing and involving the members of the diverse North/Northeast Portland community.

II.3 The Cooperative shall adhere to the seven principles put forth by the International Cooperative Alliance:

- (a) Cooperative membership shall be voluntary and open to all persons who accept the responsibilities of membership, without discrimination on the basis of gender, social class, race, political affiliation, age, sex or religion;
- (b) All members shall have equal rights in the control of the Cooperative. All elected officials shall serve as fiduciaries to the membership;
- (c) Member economic participation shall be equitable and democratically controlled;
- (d) The Cooperative shall remain an autonomous and independent entity in all of its activities, notwithstanding agreements and activities with other organizations;
- (e) The Cooperative shall provide training and education to Cooperative membership to empower members to contribute effectively to the Cooperative's development. The Cooperative also shall provide information to the community about the nature and benefits of cooperation;
- (f) The Cooperative shall promote cooperation among cooperatives by working together through local, regional, national and international organizations; and
- (g) While focusing on member needs, the Cooperative shall establish policies to promote sustainable community development.

Article III
Membership

III.1 The Cooperative shall have one class of members. Membership shall be open to any individual who pays the required membership fee, or purchases a member share, although the Cooperative shall cater its services primarily to the North/Northeast Portland community. Anyone may become a Cooperative member by completing a membership application with the Cooperative, and paying such membership fees, or by purchasing a member share, as adopted by the Board. The cost of membership in the Cooperative, including for low income members and for members who satisfy the requirement by volunteering in the Cooperative, shall be an amount approved by the Board.

III.2 Any member who for a minimum of one week before any membership meeting does not have any delinquent debts or payments owing to the Cooperative shall be considered a member in good standing.

III.3 Cooperative memberships and associated rights and duties shall be non-transferable, non-assignable, and non-delegable. However, occupants of a household containing at least one Cooperative member in good standing as defined in Section 3.2 shall be eligible ONLY for member benefits relating to the purchase of Cooperative food and products. A household, is defined as two people living at the same address.

III.4 A member may withdraw from membership at any time by submitting to the Cooperative a signed writing indicating the member's intent to withdraw. Upon withdrawal, the withdrawing member's membership rights terminate immediately.

III.5 The major responsibilities of membership in the Cooperative shall be as follows:

- (a) To support the Cooperative by doing business with it;
- (b) To make a good faith effort to participate in all membership meetings and elections;
- (c) To communicate opinions about the Cooperative's operation to the Board of Directors (hereafter "Board") and Management;
- (d) To maintain accurate member information in the Cooperative records;
- (e) To abide by Cooperative decisions made in accordance with the Cooperative's Articles of Incorporation (the "Articles") and By-laws; and
- (f) To satisfy in a timely manner all debts to the Cooperative.

III.6 The major rights of members in the Cooperative shall be as follows:

- a) To speak and vote at membership meetings, including addressing the recall of Directors and determination of purposes and long-term goals as provided by these By-laws;
- b) To be presented with the annual budget at each annual membership meeting;
- c) To vote for Directors, and to attend and have a reasonable opportunity to speak at Board meetings;
- d) To serve on committees and attend and have a reasonable opportunity to speak at committee meetings;
- e) To participate in any volunteer system used by the Cooperative;
- f) To have access to Cooperative records and financial information at any reasonable time upon prior written notice and for proper purposes relating directly to the business or affairs of the Cooperative; and
- g) To participate in any membership benefits established by the Board.
- h) To receive answers from the Board and store management to questions about store, Cooperative, and Board operations. To hold reasonable discussions with store employees, Directors, and other members concerning Cooperative operations/activities, so long as such discussions do not interfere with store operations or functionality.
- i) To hold discussions with store employees, Directors and other members concerning Cooperative operations/activities. The Cooperative will institute no policies restricting the abilities of members to obtain information from these persons.

Article IV
Meetings and Elections

IV.1 The Cooperative shall hold a general membership meeting annually. The meeting shall occur within twelve weeks of the beginning of the fiscal year. Written notice of the meeting shall be provided to all members in accordance with state law and posted at the principle place of business at least one month prior to meeting. The purpose of the general membership meeting shall be as follows:

- (a) To discuss, and if appropriate, adopt or revise the purposes and long-term goals of the Cooperative;
- (b) To present to the membership financial reports and reports from the Board and its committees;
- (c) To present the annual budget;
- (d) To elect or schedule the election of the Board in accordance with these By-laws; and
- (e) To undertake any task that the general membership may properly undertake pursuant to these By-laws.

IV.2 Special membership meetings may be called by the president or the Board or at anytime by a written petition signed by no less than ten percent of the membership.

- (a) Submitter's Signature Validation. The group submitting a petition will be allowed access to cooperative membership records as needed to validate signatures themselves before submission of the petition.
- (b) Cooperative Signature Validation. The cooperative will perform a final validation of submitted signatures to determine whether an appropriate number of valid signatures has been obtained.

IV.2.b.1 Oversight. For purposes of oversight and transparency, two representatives nominated by the submitting group will be provided access to all records and processes used during the signature validation process, as necessary to validate the voting process. The representatives may not disclose privileged or personal member information.

IV.2.b.2 Expediency. If the coop's validation process is not completed within one month of the petition submission, the validation results completed by the submitting group will be accepted as valid and will be used to determine whether sufficient signatures have been gathered.

IV.2.b.3 Confirmation of Member Count. The count of total members effective on the date the signatures are submitted will be used as the comparison for whether an adequate number of signatures has been collected. A formal process for determining this count will be required as a part of the signature validation process. The representatives nominated by the submitting group to oversee the signature validation process will have full access to records and processes used for this purpose.

IV.2.b.4 Signature Lapse. Signatures will remain valid for 4 months from the signing date. If the signature validation process indicates that additional signatures are needed, any signatures already submitted remain valid during that 4 month period. The submitting group need not submit these signatures an additional time in combination with additional submitted signatures.

IV.2.b.5 Reconciliation. If the Cooperative's validation process reaches a different conclusion than the submitter's signature validation process, the Board will investigate the causes of the discrepancy and establish a process for determining which conclusion is correct.

IV.2.b.5.1 The proposed process will provide a conclusion within one month of the date when the Cooperative's signature validation process was completed.

IV.2.b.5.2 If the process is not concluded in the required time, the signature validation results completed by the group submitting the petition will be

accepted as valid.

IV.2.b.5.3 The results of the Cooperative's initial validation effort will be available to the general membership during the period of the reconciliation process.

IV.2.b.5.4 The group submitting the petition may nominate two persons to oversee the reconciliation process. These persons will be provided full access to data and processes used during the reconciliation.

- (c) Signature Validation Report. A report summarizing the signature validation results will be posted on the Cooperative website in a fashion that provides access to any interested person. The signature validation process will not be considered complete until this report is posted on the website. The report will include, but not be limited to the following information:

IV.2.c.1 The name of each petition signer;

IV.2.c.2 For each signer, an indication of whether the signature was judged valid for purposes of the petition;

IV.2.c.3 For each signature judged invalid, a statement of the reason for that conclusion;

IV.2.c.4 An indication of the total number of members at the time the validation process was undertaken;

IV.2.c.5 A section where criticisms of signature validation judgments or process may be offered by nominated representatives of the submitting group or by Cooperative staff working on the validation effort. The Cooperative will adopt no measures to restrict, modify, or prevent criticisms offered in this section of the report.

IV.2.c.6 If a reconciliation process is used to resolve discrepancies between Cooperative and submitter validation results, a separate section of the report will be used to describe the processes and conclusions of that reconciliation effort. The reconciliation process will not be considered complete until a version of the report including this subsection is posted on the Cooperative website. A subsection will be provided where criticisms of reconciliation judgments or process may be offered by nominated representatives of the submitting group or by Cooperative staff working on the validation effort. The Cooperative will adopt no measures to restrict, modify, or prevent criticisms offered in this section of the report.

- (d) Special Meeting Information Packet. If the special petition is determined to have sufficient signatures to call a special meeting, the Cooperative will contact all members with a communication outlining the motivation and intended purposes of the special meeting.

IV.2.d.1 An informational package provided by the submitting group will be included in the information packet to explain the motivation and purposes of the special meeting.

IV.2.d.2 The Cooperative will adopt no measures to restrict or modify the information provided by the submitting group.

IV.2.d.3 The submitting group may nominate two representatives to oversee the process used to send the information packet. These representatives will be allowed full access to the process used. The representatives may not disclose privileged or personal member information.

IV.2.d.4 The information packet will include a section for submitter's representatives to offer comments about the process used. The representatives will be allowed 2 days to provide their comments after the remainder of the package is assembled and just before final sending. The Cooperative will adopt no measures to restrict or modify the contents of this section, and no other portion of the information package will be changed during this time.

IV.2.d.5 The information packet will be mailed at least 3 weeks prior to the date on which the special meeting will be held.

IV.3 Written or printed notice, stating the place, day and hour, and in case of a special member meeting the purposes for which the meeting is called, shall be given to each member either personally or by mail not less than seven or more than 30 days before the meeting by direction of the person calling the meeting.

IV.4 The agenda for all membership meetings shall be posted with a meeting notice at the Cooperative's principal place of business. The agenda shall be posted no less than two weeks prior to the meeting and shall include space for additions. Any Cooperative member shall have the right to place items on the agenda. Because vote by mail ballots are distributed to members three weeks prior to the meeting, proposals for by-law revisions must be received at least three weeks before the beginning of the meeting. Any other agenda items added within one week of the beginning of the meeting may be tabled until the next meeting.

IV.5 The President will ensure facilitation of the membership meeting and provide records of decisions made at the previous membership meeting.

IV.6 Quorum for all membership meetings shall be fifteen members or ten percent of the membership, whichever is less. If a quorum is not present at any membership meeting, a majority of those in attendance shall have the right to reschedule the meeting as necessary.

IV.7 Only members in good standing as defined in Section 3.2 shall have the right to vote at membership meetings. Each member shall have one vote. There shall be no vote by proxy. Vote-by-mail shall be allowed for Board elections and bylaw revisions only. An election committee established by the Board shall set forth the details of any such vote-by-mail procedure.

IV.8 Any member unable to attend membership meetings shall have the right to submit prior to the meeting a written statement expressing the member's views regarding any meeting agenda item. The meeting facilitator shall read any such statement during membership discussion of the agenda item.

IV.9 If a two-thirds majority of Directors present at any membership meeting consider a decision made at that meeting unrepresentative of the feeling of the general membership, then the Board shall have the power to delay implementation of that decision for a period no longer than one month after the date of that decision in question. The Board will post information about the decision, including but not limited to the Board's view of the decision and a process for resolution, within one month of the decision.

Article V Board of Directors

V.1 The Board shall serve under the authority of the members.

V.2 The Directors shall be chosen from and elected by the general membership in the manner set forth in Article VI. The Board shall consist of not less than five and not more than eleven Directors. Director positions shall be filled only by members in good standing as defined in Section 3.2 and who remain in good standing for the duration of their terms.

(a) At least one Director shall be an employee of Alberta Cooperative Grocery. Cooperative employees may hold a maximum of 37% of the filled seats on the Board of Directors.

(b) Cooperative employees shall be nominated by the Cooperative staff in a manner determined by the Cooperative staff and elected by the general membership.

V.2.3 If, at any board election, more cooperative employees are elected to the board than can serve, the employee(s) with the most "yes" votes in the election shall be considered elected to the Board. The others will be considered to not have been elected to the Board.

V.2.4 If the size of the Board of Directors decreases, resulting in cooperative employees making up more than this maximum, the most recently elected cooperative employee shall become a non-voting member of the Board until the size of the Board increases.

V.2.5 Employees who are directly hired, supervised or evaluated by the Board of Directors may not serve on the Board of Directors.

V.3 The term of office of a Director shall be two years. Directors shall not serve more than six consecutive years. Director terms shall be staggered so that as close as possible to half of the Director terms shall expire each year, and in any event, no more than 6 positions shall be elected each year.

V.4 The Board shall assign to each standing committee one Director, who shall function as a liaison between the Board and the committee. Standing committees shall include at least one person from the Cooperative general membership. The Board shall have the right to change committee liaison assignments at any time. The Board shall maintain the following committees:

- (a) Finance

V.5 The Board shall have the power to establish other temporary or permanent committees it deems necessary or desirable. The Board shall appoint members and assign tasks to committees as it deems necessary or desirable. Any Cooperative member in good standing as defined in Section 3.2 shall be eligible to join a committee, provided they are willing and able to fulfill the requirements of committee involvement.

V.6 The Board shall have the following major responsibilities and powers:

- (a) To oversee the management of Cooperative affairs, including without limitation the review of financial information, approval of intermediate- and long-term loans to the Cooperative, approval of the purchase and disposal of large capital items, adoption of future plans, authorization of investments, and approval of major changes in Cooperative services;
- (a) To define membership requirements and benefits, and volunteer work requirements and benefits (if such a system has been implemented);
- (b) To hire agents and employees, and to delegate by resolution to committees or Officers of the Cooperative such powers and functions as it may designate from time to time.
- (c) To prepare and approve an annual budget for the Cooperative;
- (d) To maintain, establish, and appoint members to standing committees, and other committees as necessary;
- (e) To set Cooperative policies in conformance with the purposes and goals established by these By-laws and the membership;
- (f) To allow for and consider membership input in decision making;
- (g) To provide to the membership information about the affairs of the Cooperative; and
- (h) To ensure that the Cooperative creates and maintains a program of member and community education regarding the nature and benefits of cooperation.
- (i) The Board is considered a part of the Cooperative and will operate in accord with the general principles required by the Cooperative.

V.6.i.1 Consensus will be the preferred criteria for Board decisions, applied using the same process as the Cooperative in general. However, a 2/3 vote is required to make a Board decision when consensus cannot be reached.

V.6.i.2 Openness, cooperation and inclusion of members will be emphasized. Board discussions and records will be open to the general membership with the following exceptions: personnel information, members' personal information, and information legally required to be kept confidential.

V.6.i.3 Directors may engage members to assist them in their duties. Members working in this capacity will have the same access to Cooperative, Board and store records as the Director they are assisting.

- (j) The Board is responsible for maintaining a website providing information to keep Cooperative members well informed about Board and store actions and to provide information needed for members to decide which Board and committee meetings are most appropriate for their attendance and involvement. This information will be provided in a fashion that readily allows access to any interested member. Records placed on the website in fulfillment of these requirements will be maintained on the web site in perpetuity. The information provided on the website will include, but will not be limited to:

V.6.j.1 Announcements of planned Board and committee meetings.

V.6.j.1.1 Contents of Meeting Announcements. Each planned Board or committee meeting will be announced on the website. Each announcement will include, but not be limited to the following information:

- (1) Date, time and location of planned meeting;
- (2) An indication of whether general members are excluded from attendance;
- (3) Planned topics of discussion;
- (4) For committee meetings, contact information for the Board liaison assigned to the committee at the time of the meeting.

V.6.j.1.2 Timing of Posting. The required information will be posted to the website at least 7 days in advance of the meeting.

V.6.j.2 Minutes of Board Meetings. Minutes will be posted for any Board meeting where formal decisions are considered – including meetings of subgroups of the Board empowered for decision making.

V.6.j.2.1 Content of Minutes. The posted minutes will include, but will not be limited to:

- (1) Unless secrecy is a legal mandate, any formal Board decision will be documented with an indication of whether the decision was reached by consensus. If the decision was not reached by consensus, a record of the vote offered by each individual Director will be provided;
- (2) A list of the topics of discussion;
- (3) If the meeting excluded general members from attending, a description of the member attendance restriction that was applied and an explanation of the reason for restricting member attendance;
- (4) A list of the persons attending the meeting.

V.6.j.2.2 Timing for Posting Minutes. The minutes will be posted to the website within one week following the Board meeting.

V.6.j.3 Personnel policies. Personnel policies applied by store managers, together with the revision history of those policies.

V.7 Individual Directors shall have the following responsibilities:

- (a) To attend Board meetings;
- (b) To inform the Board of the activities and concerns of all committee for which the Director is a liaison;

- (c) To attend the annual and any special membership meetings;
- (d) To be reasonably accessible to members; and
- (e) To make a good faith effort to remain informed regarding the affairs of the Cooperative and the issues before the Board.

V.8 The Board shall meet not less than once every other month, or more frequently as the Board determines to be necessary, to review Cooperative operations and committee functioning and to conduct the business of the Cooperative. Board meetings shall be held at regular, established times and a meeting agenda shall be made available to the membership at least two days prior to the meeting. Emergency meetings shall be called whenever two or more Board members deem it necessary.

V.9 The Board shall hold an annual Board meeting within one month after the annual election of new Directors.

V.10 Quorum for any Board meeting shall be a simple majority.

V.11 Any action required to be taken at a meeting of the Directors of the Cooperative, or any other action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the actions so taken shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect and force as a unanimous vote of said Directors.

V.12 No Director shall be liable to account to the Cooperative for any profit realized by the Director from or through any transaction or contract of the Cooperative; provided, however, in the case of any such contract or transaction requiring authorization by the Board, no Director who personally or through any firm or corporation is interested in such a contract or transaction shall be entitled to vote thereon, although such Director may be counted in determining whether a quorum is present at any meeting upon which action thereon is taken. Prior to Board authorization, all material facts of the transaction or contract must be disclosed to the Board.

Article VI Election, Removal and Replacement of Directors

VI.1 Elections shall be held at the annual general membership meeting. The election committee shall coordinate such elections. Candidates for Director shall not serve on the election committee. The election committee shall be responsible for determining the number of open seats to be filled, soliciting nominations of candidates for Director positions, for receiving and posting candidate statements and petitions, and for preparing, distributing, collecting and counting ballots. The election committee shall solicit candidates at least five weeks prior to the annual general membership meeting.

- (a) Ballots for board candidates will have both a “yes” and “no” option, so members may vote for or against candidates.

VI.2 To become a candidate for election to the Board, a member shall:

- (a) Submit a petition, stating the member’s reasons for running;
- (b) Certify that he/she has spent at least five hours in the previous six months volunteering for the Cooperative, or that he/she has attended at least one board meeting and one board committee meeting in the previous six months; and
- (c) Post at the Cooperative’s principal place of business the petition containing the reasons for the member’s candidacy.

VI.3 Candidates shall submit their petition for candidacy at least three weeks prior to the annual general membership meeting.

VI.4 Candidates shall be listed on ballots in random order and members shall vote for the number of candidates for which there are positions open. The election committee shall be authorized to attach surveys to the ballots.

VI.5 All voting shall take place by mail with a final voting opportunity at a special or annual general meeting. To be counted in the election, ballots mailed to the election committee must be received prior to the start of the annual general membership meeting.

VI.6 A vote for Director removal may be instituted by a written petition signed by fifteen members or ten percent of the membership, whichever is less. Any such petition shall state the reason(s) for removal. After submission to the Board, the petitioned removal shall have priority at the next regular or specifically called membership meeting. Written reasons for removal shall be included in the notice of the meeting. Prior to the removal vote, the Director whose removal is sought shall have an opportunity to answer such reasons at the meeting. The written statement of reasons for removal shall be filed with the minutes of the meeting. A vote of two-thirds majority of the members at the membership meeting shall be required to remove the Director. The removed Director shall be terminated from his/her responsibilities immediately.

VI.7 Director removal, resignation or a lapse of the Director's Cooperative membership shall create a Director vacancy. The remaining Directors shall have the right to presume the resignation of a Director who misses two consecutive Board meetings and it is objectively apparent to the Board that the Director will not be fulfilling his/her responsibilities as a Director. Before the Board shall conclusively presume a Director's resignation, the Board shall make a reasonable effort to notify the Director in question and allow him/her an opportunity to respond. The Director's denial of resignation shall be sufficient to overcome the Board's presumption of resignation. The Board of Directors may remove a Director who is conclusively presumed to be resigned, by a majority vote. The Board of Directors may remove any Director, with cause stated in the meeting minutes, with a 2/3 vote.

VI.8 Board Vacancies. Any vacancy that occurs on the Board — by removal, resignation, lapse of Cooperative membership, or through an election process that leaves potential Board positions vacant — will be filled using the following process:

- (a) Former Election Candidates. The vacancy shall be immediately offered to candidates from the last election of Directors by the membership. All candidates receiving more "yes" than "no" votes will be asked if they would accept the position. Among those who would accept the position, the candidate with the largest number of "yes" votes exceeding their "no" votes will fill the vacancy.
- (b) Board Appointment. If no candidate from the preceding election accepts the Board vacancy, then the Board is allowed 2 months to fill the position by a unanimous vote.
- (c) Use of Special Meeting. If the vacancy remains unfilled by the Board during the time provided for replacement by Board vote, a special membership meeting will be used for election of a replacement by the membership. The election process used will be the same as for elections held at the annual general membership meeting. This special meeting will be scheduled at the earliest opportunity consistent with the mandated election process.
- (d) Election Shortfall. If the number of seats filled on the Board by election is below the maximum allowed in these bylaws, Directors will be added using the process outlined here, but employing results from the next earlier election in part (a).

VI.9 The term of an added mid-term Director shall be the unexpired term of the Director's predecessor in office. If the vacancy that was filled was not an unexpired term, and thus there was no predecessor, the Director's term shall expire at the next election of Board Members.

VI.10 Special membership meetings may be used to elect Directors to vacant Board positions. The election process will be the same as in elections held at the annual general membership meeting. Directors added in this way are considered mid-term Directors.

Article VII Officers

VII.1 The Officers of the Cooperative shall consist of a President, Vice-President, Secretary and Treasurer. The Board shall elect Officers each year at the annual Board meeting. The term for elected Officers shall be one year, or until the next annual Board meeting, whichever is sooner. Officers of the Corporation shall be elected by the Board of Directors. The election process shall be as follows:

- (a) Nomination and seconding of candidates;
- (b) Acceptance of nomination;
- (c) Brief comments by the candidate regarding the candidate's reason for seeking the position.
- (d) Vote by secret ballot, overseen by any Director who is not a candidate for the position.

VII.2 The Board shall have the power to remove by simple majority vote any Officer whenever, in the Board's judgment, the best interests of the Cooperative will be served thereby.

VII.3 The Board shall have the power to fill Officer vacancies by following the election procedure set forth in Section 7.1. An Officer elected to fill a vacancy shall be elected for the unexpired term of the Officer's predecessor in office.

VII.4 The President shall ensure facilitation at all membership and Board meetings. The President shall present the annual report to the members at the annual general membership meeting, supervise the business and affairs of the Cooperative, and be the official signatory of the Cooperative.

VII.5 The Secretary shall ensure that minutes and notes are taken at all member and Board meetings. The Secretary also shall ensure that the cooperative maintains a current list of all Cooperative members, ensure that all notices are duly given in accordance with these By-laws or as otherwise required by law, and be the custodian of Cooperative records.

VII.6 The Treasurer shall ensure that financial reports are presented at all member and Board meetings. The treasurer shall be responsible for all Cooperative funds and securities and shall ensure that Cooperative finances are managed, and that payments and deposits are made on behalf of the Cooperative. The Treasurer shall serve as the Chair of the Finance Committee described in section 5.4.

VII.7 In addition to the duties described herein, the Officers shall perform such other duties as, from time to time, shall be assigned to them by the Board.

Article VIII Management Structure

VIII.1 The staff shall be organized as a self-managed collective under the direction and control of the Board of Directors. The collective managers are responsible for the day-to-day affairs of the Cooperative and the management of the business owned by the Cooperative. The collective shall be responsible for determining staff needs, roles, and functions.

VIII.2 Adherence to Cooperative Principles. The manager(s) are responsible for ensuring that store operations are performed in a fashion consistent with the general principles promoted by the Cooperative.

VIII.3 Provision of Information to Members. The manager(s) are responsible for providing information about store operations in response to member requests in accord with member rights outlined in the cooperative By-laws.

VIII.4 Board Overrides. If a two-thirds majority of Directors consider a manager decision unrepresentative of the interests and values of the general membership, then the Board shall have the power to delay implementation of that decision for a period no longer than one month after the date of that decision in question. The Board will

post information about the decision, including but not limited to the Board's view of the decision and a process for resolution, within one month of the decision.

VIII.5 Written Personnel Policies. The manager(s) will maintain a written set of personnel policies and a written history of revisions to that document.

- (a) Revision History. The revision history will document revisions in order of revision date and will provide detail sufficient for a clear understanding of the resulting changes.
- (b) Revision Documentation Mandate. Revisions that are not documented in the revision history are considered invalid and are not actionable at any time.
- (c) Website Posting. The personnel policies and revision history will be posted on the Cooperative website in a fashion that allows any interested party to read these documents.
- (d) Revision Notification. Employees will be prominently notified at the end of each month when any revisions have been posted during that month.
- (e) Delayed Actionability. Policies will not be actionable until the start of the 2d month following their posting with coordinated revision history on the cooperative website.
- (f) Disciplinary Actions. Employee actions can motivate disciplinary actions only when those actions violate written personnel policies which are actionable at the time of the employee action.

VIII.6 Pay Equity. Smooth and efficient cooperative operations are considered to be the product of the combined and coordinated work of all employees. To reflect the value of all employees' contributions, large disparities in employee compensation will be avoided.

- (a) Regular Compensation. No employee will receive more than twice the adjusted hourly compensation of the lowest paid employee. For purposes of this calculation, Cooperative contributions towards benefits such as health insurance will be included. Contributions towards training and education directly related to increased efficiency of Cooperative operations will be excluded from these calculations. Hourly compensation of salaried employees will be calculated based on their stated standard working hours.
- (b) Employee Bonuses. Any provision of money to employees in addition to regular compensation is considered a bonus. When awarded, bonuses will be distributed to all persons employed by the Cooperative at the time of the award. Amounts provided to each individual will be proportional to the number of paid hours worked by that person during the preceding 6 months. Salaried employees will be considered to have worked their stated standard working hours. Contributions towards training and education undertaken to increase efficiency of Cooperative operations will not be considered bonuses. Compensation for expenses rightfully assumed by the cooperative will not be considered bonuses. Bonuses will not be awarded in any other fashion.

Article IX Finance

IX.1 The Cooperative shall maintain its registration as a Cooperative with the State of Oregon.

IX.2 The fiscal year for the Cooperative shall be from January 1st to December 31st. The Board shall have the power to establish by majority vote a fiscal year based on any other 365-day period if the establishment of a fiscal year benefits the Cooperative.

IX.3 The finance committee created pursuant to Section 5.4 shall consist of at least one elected Director, the Treasurer, and at least one person from the general membership. The finance committee shall monitor and plan the Cooperative's financial operations, and present financial information and make financial recommendations at Board meetings.

IX.4 The finance committee, in consultation with other standing committees, shall construct and present to the Board for approval an annual operating budget. All unbudgeted capital expenditures in excess of an amount set from time to time by the Board must be approved by Board resolution. Initially, the amount shall be set at \$1,000.00.

IX.5 The Board may invest in other Cooperatives, and may organize, purchase, or sell a subsidiary corporation when it is in the best interests of the Cooperative or as required by law, and may enter into partnerships.

IX.6 Subject to Board approval, the finance committee shall allocate such amount of any Cooperative net proceeds or savings to the Cooperative's general surplus reserve as the committee determines to be necessary or appropriate, provided that net proceeds or savings on patronage of the Cooperative by its members shall be apportioned and distributed among those members in accordance with the ratio which each member's patronage during the period involved bears to total patronage during that period. The general surplus reserve shall be used to absorb operating deficits, losses, and unanticipated costs or expenses. The general surplus reserve shall be the indivisible property of the Cooperative as a whole. The remainder of the net proceeds or savings shall be used for community development as seen fit by the Board, subject to approval by the membership.

Article X Records

X.1 The secretary or other designated person shall keep minutes of all Board and general membership meetings. A copy of the final form of any policy adopted at the meeting shall be attached to the minutes.

X.2 Copies of the Cooperative's Articles, By-laws, including amendments, all adopted policies, and all membership and Board meeting minutes shall be kept in an organized manner and made available to members at a central location.

X.3 Current membership records shall be maintained by the secretary or other person as designated by the Board.

X.4 All Cooperative files and membership and financial records shall be available for inspection to the general public and the Cooperative membership at the Cooperative's central location. Extra copies of the Cooperative's By-laws and policies shall be kept for distribution to any member or potential member requesting them. Personnel records and confidential member information shall be exempt from the requirements of this subsection.

Article XI Miscellaneous

XI.1 Consensus decision making shall always be the goal with the Cooperative. When it is clear that consensus cannot be reached, decisions shall be made by simple majority vote of those present, except where otherwise indicated in these By-laws or required by law. Any vote from a stalemate in consensus should occur at minimum 48 hours after a stalemate has been acknowledged. Prior to the vote, the Cooperative should attempt at least one additional time to achieve consensus.

XI.2 Members shall not be liable for any debts or obligations of the Cooperative except as otherwise provided by law.

XI.3 The Cooperative shall indemnify and hold harmless all persons who serve as Directors or Officers of the Cooperative from and against all claims and liabilities to which such person may become subject by reason of having been a Director or Officer, or by reason of any action alleged to have been taken or omitted by them as Directors or Officers. The Cooperative shall also reimburse such persons for all legal and other expenses reasonably incurred in connection with any such claim or liability. Such indemnification shall be extended provided that no such person shall be indemnified or be reimbursed for any expense incurred in connection with a claim or liability arising out of his or her own negligence or willful misconduct, or, in the case of both Directors and Officers, a breach of the standard of care set forth in ORS 62.464. The Cooperative's Directors, Officers, and agents shall be fully protected in taking any action or making any payment in the ordinary course of Cooperative business or in refusing to do so upon the advice of counsel.

XI.4 Any section of these By-laws may be enacted, amended or repealed by a two-third majority of the members voting at any special membership meeting called for that purpose or at any general membership meeting.

XI.5 Any amendments to or repeal of these By-laws that would affect the rights of a party to a contract made previously with the Cooperative shall have no effect on any indebtedness or such contract then in existence.

XI.6 If any section, clause, provision or portion of these By-laws is judged invalid by a court of competent jurisdiction, the remainder of these By-laws shall not be affected.

XI.7 In the event of dissolution, winding up, or other liquidation of assets of the Cooperative, any surplus after the return of member-invested capital and the satisfaction of all valid claims against the Cooperative shall be distributed to such Cooperative or non profit corporation, institutions, or organizations as may be designated by the Board, to be used for purposes similar to those of this Cooperative.