

Bylaws of the Newark Community Cooperative, Inc.

As Revised 2025

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ARTICLE I – ORGANIZATION

Section 1.1 Identity

Newark Community Cooperative, Inc., doing business as Newark Natural Foods Co-op (hereinafter Cooperative or Co-op) is a non-stock, Membership Corporation incorporated under the laws of the State of Delaware, with its principal office in the City of Newark, County of New Castle, State of Delaware. Its registered office in the State of Delaware is in Newark, Delaware. The Cooperative shall be its own registered agent at that address. The Cooperative may also have offices at such other places both within and without the State of Delaware as the Board of Stewards may from time to time determine or the business of the Cooperative may require.

Section 1.2 Objectives

The objectives of the Cooperative are:

- A. to service Members within the scope of the Certificate of Incorporation and to the fullest extent permitted by statute;
- B. to set up and operate facilities for the benefit of consumer Members;
- C. to provide goods and services whose production and distribution are based on sound ecological and cooperative principles;
- D. to associate with other cooperative societies for mutual and cooperative development;
- E. to advance the cooperative movement; and
- F. to be a social service organization.

Section 1.3 Governance

The Cooperative shall be operated in accordance with the principle of democratic control by the Members and the Board of Stewards who shall act to advance the objectives.

Section 1.4 Organization, Public Relations, Promotion and Education

The Board of Stewards shall encourage the Cooperative to undertake the following initiatives and allocate funds to support these efforts:

- A. Organization, by maintaining effective internal structures and processes to ensure smooth operations. This includes governance, decision-making frameworks, and member engagement strategies that help the organization function efficiently and inclusively.
- B. Public relations, by actively communicating with the public to foster a positive image and maintaining strong relationships with Members, stakeholders, and the broader community. This may involve press releases, social media engagement, newsletters, or participation in public events.
- C. Promotional activities, by marketing its services, values, and initiatives to attract new Members, increase awareness, and support business growth. This may involve advertising, campaigns, special events, and strategic partnerships to highlight the Cooperative's benefits and offerings.
- D. Education, by providing ongoing learning opportunities for its members, employees, and the community. This may include workshops, training sessions, informational materials, or outreach programs that enhance understanding of the Cooperative's mission and operations.

ARTICLE II – REQUIREMENTS OF MEMBERSHIP

Section 2.1 Membership Eligibility and Responsibility

- A. A Membership (also referred to as a “Member”) is defined as a household. Membership shall be open without regard to any characteristic that does not directly pertain to eligibility.
- B. Members shall keep current in their financial obligations to the Cooperative as set out in Section 2.4, inform the Cooperative of any changes in name or current address, and abide by the Bylaws and the policies and decisions of the Cooperative and the Board. By becoming a Member a household agrees to vote in a manner consistent with the principles of the International Consumers Cooperative Alliance. Members are also expected to support the Cooperative, including by shopping at the Store.

Section 2.2 Application and Limitation on Membership

Application for Membership shall be made in writing on a form provided for that purpose. The person who signs a Membership application shall be the

Household agent of the Membership. New Members will be directed to the website for a copy of the Bylaws. No single individual may be associated with more than one Membership.

Section 2.3 Membership in Good Standing

A Membership that upholds the responsibilities set out in Subsection 2.1B and Section 2.4 and that has no outstanding debt to the Cooperative is considered a Membership in good standing.

Section 2.4 Membership Financial Obligations

Subject to the power of the Board of Stewards to set and amend membership types, categories and amounts under Subsection 3.3.C, Membership obligations shall be as follows: A lifetime Membership is \$100.00. The application for Membership shall be accompanied by a first payment of at least \$10.00. After acceptance into Membership, additional \$10.00 payments shall be made at least annually by students and seniors and quarterly by all other Members until the \$100 financial obligation is met. These payment obligations begin on the quarter or annual anniversary of Membership, as appropriate. The first \$50 shall be deposited in the Capital Fund; the second \$50 in the Operating Fund. Amounts paid for Memberships are non-refundable, including in the event of inactivity, resignation or expulsion.

Section 2.5 General Rights of Membership

- A. Each Membership in good standing is entitled to one vote for any item brought before the General Membership. Items reserved to Members are set out in Section 6.3.
- B. Each Membership in good standing may provide notices and request information or documents as set forth in the Bylaws. Such notices and requests shall be in writing on paper or electronically by email, BOS@newark.coop.
- C. Transfer of Memberships - Upon surrender of a Membership to the Cooperative, accompanied by proper evidence of succession, assignment or authority to transfer, the Cooperative shall issue a new Membership to the Household entitled thereto, cancel the old Membership and record the transaction on its books.

- D. All Members in good standing shall be eligible for all benefits established by the Board of Stewards.

Section 2.6 Inactive Memberships

When the whereabouts of a Member has been unknown for a period of two (2) years, upon notice to a Member's last known postal or email address, that Membership will be considered inactive and removed from mailing lists, including those for the purpose of General Membership Meeting notifications. Although removed from mailing lists, inactive lifetime Members who have paid in full for their lifetime Membership and are otherwise in good standing retain all rights, including the right to vote.

Section 2.7 Expulsion of Members

Membership may be terminated involuntarily by the Board of Stewards for cause. Cause may be based on intentional or repeated violation of any provision of the Cooperative's Bylaws or policies; actions that are likely to impede the Cooperative from accomplishing its purposes; actions or threats that are likely to adversely affect the interests of the Cooperative or its Members; willful obstruction of any lawful purpose or activity of the Cooperative; or breach of any contract with the Cooperative. Membership termination requires a minimum two-thirds (2/3) vote of the Board of Stewards after the Member receives fair written notice of the reasons for termination and has been afforded an opportunity to respond by written statement, and/or to make an oral statement to the Board limited to 15 minutes. An expelled or terminated Member shall have the right to appeal to the next General Membership Meeting at which they shall be given an opportunity to be heard in their own defense, whether in person or by counsel, and shall be re-instated if a majority of the Members voting, vote in favor of re-instatement.

Section 2.8 Voluntary Resignation

A Membership may be resigned at any time by submission of a written and dated resignation.

Section 2.9 Societies, Organizations and Businesses

Any society, organization or business not in opposition to the purposes of this Cooperative may be granted special terms of Membership by the Board of Stewards at its discretion.

ARTICLE III – BOARD OF STEWARDS

Section 3.1 Number, Election and Qualifications

- A. The Board of Stewards (or “Board”) is comprised of nine (9) Board Members (or “Stewards”). Members of the Cooperative shall be elected to the Board of Stewards for a term of three (3) years (unless completing a term) commencing at the first Store Meeting following election. Although circumstances such as resignations may result in fewer than nine members, the Cooperative shall strive to maintain a full nine-member Board.
- B. Board Members terms shall be staggered such that at every Annual General Membership Meeting no more than three (3) Stewards shall be elected to full three (3) year terms. No Member shall be elected to more than two (2) consecutive full year terms, provided that this limitation does not apply to Steward terms where the election occurred prior to September 2025.
- C. If the Board of Stewards has five to eight Stewards, the Board may, in its discretion, subject to a Member’s agreement, appoint that Member to temporarily fill a vacancy until the next General Membership Meeting at which time an election will be held. Appointments shall be by majority vote of the Board. If a mid-term vacancy arises resulting in the Board of Stewards having fewer than five Stewards, a General Membership Meeting shall be triggered automatically for a special election of at least the number of Stewards to bring the Board up to a minimum of five Stewards.
- D. Any election under Subsection C shall be to fill the balance of the three-year term as set out in Subsection B on staggered terms. A Board-appointed Member at their choice can participate as a candidate and seek to fill the balance of the term.
- E. All Board of Stewards elections shall be by secret ballot using a written ballot or otherwise if a Member is attending the Meeting using a video conference platform. Nominees for election as a Steward

receiving the highest number of votes shall be elected until the open positions are filled.

- F. No more than one person from any given Membership may serve at any one time.
- G. At no time shall there be more than three (3) elected staff persons or spouses or domestic partners of staff persons on the Board of Stewards. Managers who report directly to the Board of Stewards (or their spouses or domestic partners) shall not be permitted to serve on the Board of Stewards.
- H. All Officers and Stewards of the Cooperative shall be Members of the Cooperative in good standing.
- I. The Board of Stewards will comprise the Members in good standing who have the administrative powers of the Cooperative, except, that a staff Steward (or spouse of domestic partner of the same) shall not vote on individual personnel matters, including specific pay, promotions, grievances, evaluations, disciplines, and dismissals of themselves or their co-workers; however, this does not preclude their voting on personnel policies such as pay scales, hiring, formal grievances, discipline, dismissal and policies regarding benefits.
- J. A one year waiting period is required between:
 - Board resignation and new employment to the Cooperative.
 - New employment to the Cooperative and election to the Board.
 - Unsuccessful application for employment to the Cooperative and election to the Board.
 - Termination from Employment at the Cooperative and election to the Board.

Section 3.2 Nominations

Intention to run for election to the Board of Stewards, along with a statement of interest, shall be made in writing and filed with the Secretary by a candidate at least twenty (20) days prior to a General Membership Meeting, provided, however, a candidate also can be nominated (including self-nominated) from the floor of the General Membership Meeting. A floor nomination shall be accompanied by a brief oral statement of no more than five minutes by the Member nominated and require four Members to “second” the nomination. If a vacancy results in Steward openings of different lengths, candidates in their written filings shall declare which

length of Steward position they are seeking. If a candidate meets the twenty (20) day notice period, the Secretary shall notify the Members of the nomination fifteen (15) days prior to the General Membership Meeting by posting the nominated Member's' name and interest statement at the regular places of business of the Cooperative.

Section 3.3 Powers and Responsibilities of the Board of Stewards

- A. The Board of Stewards shall govern the business and affairs and exercise all of the powers, including those explicitly enumerated herein of the Cooperative, except those powers that are reserved to the Members, and shall adopt such policies, rules, and regulations and take such actions as it may find advisable provided that the Board of Stewards does not act in a manner inconsistent with Delaware law, the Certificate of Incorporation, the Bylaws or the binding rules of the Cooperative. To the extent there are inconsistencies between the Bylaws and Board policies, rules and regulations, the Bylaws control.
- B. The Board of Stewards shall have the power to employ, define duties, fix compensation and dismiss a General Manager consistent with the Bylaws and Policies of the Cooperative. The Board of Stewards may also authorize the engagement of other agents or counsel as needed. The General Manager shall have the responsibility for the overall operation of the business of the Cooperative under the Board of Stewards in accordance with the Bylaws and Policies of the Cooperative.
- C. The Board of Stewards shall have the power to set and amend Membership types, categories and amounts otherwise set out under Section 2.4.
- D. The Discount Policy of the Cooperative shall be set by the Board of Stewards being sensitive to the financial condition of the Cooperative. Pricing differentials for Stewards, working Members, non-working Members, and non-members may be based upon a discount, a rebate, or a surcharge. Any change in the differential provided to the Stewards shall be reported at the next General Membership Meeting.
- E. The Board of Stewards shall have the power to decide whether to have the Members consider supporting a boycott of any product the Cooperative normally sells. If the Board of Stewards decides to refer

the matter to a vote of the Members, at least twenty (20) days before the Meeting at which the vote is taken, the Board shall have unbiased information about the matter posted in the store and provide notice to the Members of the vote. All Members in good standing who attend the Meeting at which the vote is taken shall be entitled to be heard and vote on the issue.

- F. The Board of Stewards has fiduciary responsibilities to the Members, and each Steward owes the Cooperative a duty of care, a duty of loyalty, a duty of obedience, a duty of confidentiality, a duty of prudence and a duty to disclose. Stewards shall strive to work collaboratively with one another and resolve any conflicts among Stewards and avoid Member politicking.

Section 3.4 Suspension, Removal and Resignation

- A. A Steward may be suspended from the Board for cause by a majority of Stewards (i) present at any Store Meeting, Executive Session, Special Meeting or General Membership Meeting, or (ii) reachable for an Emergency Meeting. Any such suspension shall remain in effect for as short a duration as possible in light of the circumstances giving rise to the decision to suspend. A suspension cannot be unlimited in time. Any Steward suspended, may petition the Board to have the suspension lifted or modified at any such subsequent Meeting. A suspension can also be lifted or modified in accordance with Subsection 3.4C.
- B. Voluntary resignation from the Board or from any office held shall take effect seven (7) days after receipt of written notice by the Secretary or the President of the Board. Absence without leave from three (3) successive regular Store Meetings is presumed to be a voluntary resignation from the Board. If a Steward is absent with leave, the Steward's participation is considered to be voluntarily suspended.
- C. A Steward may be removed from the Board for cause by a majority vote of those Members present at any Store Meeting or General Membership Meeting, provided the Steward has been given at least twenty (20) days written notice by the Board stating the specific charges and has had an opportunity to answer such charges in writing within ten (10) days of receipt of written notice. The charges against the Steward and the Steward's answer shall be posted in the

Cooperative at least five (5) days before the Meeting, and the Steward shall be provided an opportunity to make an oral statement at the Meeting at which the vote is taken. All Members in good standing who attend the Meeting at which the vote is taken shall be entitled to be heard and vote on the issue. Members also may vote to lift or modify a suspension at a Store or General Membership Meeting. A vote against removal shall also operate to lift a suspension if the Board Steward is suspended at the time of the vote to remove.

Section 3.5 Indemnification

The Cooperative shall indemnify and reimburse each past, present and future Steward and Officer for any claim or liability (including expenses and attorney fees, judgments, fines, and amounts paid in settlements, actually and reasonably incurred in connection therewith) to which such person may become subject to by reason of being a Steward or by reason of his or her acts or omissions as a Steward. With regard to acts or omissions, such indemnification shall be made only if the Steward acted in good faith in the reasonable belief that his or her action was in the best interest of the Cooperative. The foregoing shall not be exclusive of any rights to which Stewards may be lawfully entitled.

ARTICLE IV – MEETINGS OF THE BOARD OF STEWARDS

Section 4.1. Board Meetings

Board of Stewards Meetings consist of Store Meetings (this Article, Article IV) and General Membership Meetings (Article V). Meetings include Executive Sessions consistent with Section 4.6. Store Meetings include Regular Meetings, Special Meetings, and Emergency Meetings. In the Board's discretion, a Store Meeting may be held in-person, using video-conferencing technology, or employing hybrid format, except that any Emergency Meeting also may be held in any manner specified in Section 4.8. Absent extenuating circumstances, General Membership Meetings will be hybrid.

Section 4.2 Rules of Store Meetings

All Store Meetings of the Board of Stewards shall be conducted in a manner not inconsistent with the laws of the State of Delaware. The Meetings shall be conducted in accordance with Robert's Rules of Order (Revised), although the Board of Stewards will strive whenever possible to make decisions by consensus. In the absence of consensus, a Steward's motion can be withdrawn, modified, tabled or voted on by majority vote (or a higher vote threshold as required by the Bylaws for a specific issue) of those Board Stewards present and eligible to vote on an issue.

Section 4.3 Quorum for Store Meetings

A quorum for conducting a Regular or Special Meeting of the Board of Stewards shall be the majority of the Board of Stewards. A quorum for an issue to be considered at an Executive Session shall be a majority of those Stewards allowed to vote on a given issue. There is no quorum requirement for conducting an Emergency Meeting in accordance with Section 4.8.

Section 4.4. Open Store Meetings of the Board of Stewards

All Regular and Special Meetings of the Board of Stewards, other than Executive Sessions, shall be open to the General Membership. The Board of Stewards shall provide the Membership with an opportunity to provide general comment at the end of Store Meetings and Members shall be heard on any of the matters specified in Article 6.3 during the regular course of the Meeting.

Section 4.5 Regular Meetings

The Board of Stewards shall meet regularly, at least monthly.

Section 4.6 Executive Sessions

As part of a Meeting, the Board of Stewards may meet separately to conduct a private Executive Session for the purposes of acting in the absence of the General Manager, for legal matters, or for the purposes of personnel interviews and other personnel activities in accordance with the Bylaws and the Policies of the Cooperative. Any decision made in an

Executive Session shall be reflected in the minutes of the next formal Meeting.

Section 4.7 Special Meetings

A Special Meeting of the Board of Stewards shall be held whenever called by the President or by the majority of the Board of Stewards, with a minimum notice of forty-eight (48) hours to the Board of Stewards and the Membership. Only the business specified in the written notice shall be transacted at a Special Meeting. Each call for a Special Meeting shall be in writing, shall be signed by the Steward or Stewards calling the meeting, shall be addressed and delivered to the Secretary, and shall state the topic, time and place of such Meeting. Stewards shall be notified by electronic means, and the Secretary shall post notice of such Meeting in the Cooperative as soon as possible.

Section 4.8 Emergency Meetings

For emergency issues that come up between regularly scheduled Board of Stewards Meetings, the Board of Stewards may conduct business as needed and vote on issues provided that a diligent attempt has been made to contact every Steward. An “emergency issue” is one that is unexpected and that presents an immediate or serious threat or harm to the Cooperative as a business, including affecting its day-to-day operation, or to its employees or customers such that prompt action may be required to mitigate the threat or harm. The Secretary shall post notice of such Meeting in the Cooperative as soon as possible, which may occur after such Meeting is held. Before discussion and consideration of any action that may be required to mitigate the threat or harm, the Board of Stewards shall first require an affirmative majority vote on whether the criteria defining an “emergency” have been satisfied. Any vote on a substantive issue during an Emergency Meeting shall require a super majority of seventy-five (75%) percent of those Stewards attending, and the information shall be reflected in the minutes of and reported to Members at the next regularly scheduled Board of Stewards Meeting. When possible, twenty-four (24) hour notice shall be given to Stewards prior to the Meeting. Any measure adopted at an Emergency Meeting shall stand until the next held Store or General Membership Meeting, whichever occurs first. At such a Meeting, the Board of Stewards shall discuss the issue openly (or in Executive Session as

appropriate) and take further action such as ratifying or extending the measure, repealing the measure, or modifying the measure.

Section 4.9 Communication Among Stewards outside of Meetings

Given modern modes of electronic communication it is recognized that communication among Board Stewards may occur in between Meetings. Any communications among a majority of the Board that are not open to Members other communications for emergency matters as specified in Section 4.8 or Executive Session matters as specified in Section 4.6 shall be limited to non-substantive matters such as scheduling and agenda setting. Communication includes face-to-face communication and communication by text, email, Board management software such as Basecamp, telephone or virtual collaborative platform such as Zoom or other means. A subset of the Board of Stewards that does not rise to a majority of the Board may discuss substantive matters by such means. All communications shall be undertaken in light of Subsection 3.3F (fiduciary responsibilities and duties).

ARTICLE V – MEETINGS OF MEMBERS

Section 5.1 General Membership Meetings

The Board of Stewards shall annually hold a General Membership Meeting in October or November. In addition, upon written request of five (5) percent of the Membership or thirty-five (35) Members in good standing, the Secretary or the President of the Board of Stewards shall call a General Membership Meeting. General Membership Meetings also may be called by the Board of Stewards. Except for notice periods set forth governing specific items of business, including Sections 3.2 (nominations for the Board of Stewards), 3.4 (removal of a Steward), 4.7 (Special Meetings of the Board), and 4.8 (Emergency Meetings of the Board), notice stating the time, place (in-person and virtual), and principal items of business of such Meetings shall be made available to the Membership at least ten (10) days, but no more than sixty (60) days, prior to the date of such Meeting.

Section 5.2 Rules of General Membership Meetings

All General Membership Meetings shall be conducted in a manner not inconsistent with the laws of the State of Delaware and in accordance with

Robert's Rules of Order (Revised). The President of the Board of Stewards or the President's designee shall preside over such Meeting. General Membership Meetings shall open to all Members and in addition to voting on matters properly before a Meeting, each Member shall be afforded the opportunity to provide a brief comment during new business near the close of the Meeting.

Section 5.3 Quorum for General Membership Meetings

A quorum for a General Membership Meeting shall consist of five (5) percent of the Membership or thirty-five (35) Members in good standing, whichever is less, present in person at the Meeting or attending virtually using a video conferencing platform. All Members in good standing who are either present in person at the Meeting or attending virtually shall have voting rights.

Article VI. Membership Voting and Inspection of the Records

Section 6.1 Eligibility to Vote

A Membership shall be entitled to vote when that Membership has made at least an initial required payment toward their entire Membership subscription. No Member shall be entitled to vote or to hold office in the Cooperative who is in arrears on Membership financial obligations. Each Membership shall be entitled to only one vote. Where Memberships are held jointly, the holders shall vote as one Member.

Section 6.2 Proxy Voting

Stewards are prohibited from voting by proxy on any Board matter or resolution pursuant to Delaware corporation law. Members are prohibited from voting by proxy by the Certificate of Incorporation of the Cooperative.

Section 6.3. Items Reserved to Members

Without regard to whether a matter is to be voted on at a Store Meeting or a General Membership Meeting, Members in good standing shall have an opportunity to bring forward motions, to be heard, and vote on the following matters properly before such Meeting, and such votes shall be binding on the Cooperative and the Board of Stewards.

- A. Amendments to the Certificate of Incorporation.
- B. Adoption of the Bylaws and any Amendments thereto in accordance with Article X.
- C. Election of Stewards in accordance with Section 3.1.
- D. Removal and Lifting or Modifying Suspensions of Stewards in accordance with Subsection 3.4C.
- E. Appeals of Expulsion of Members in accordance with Section 2.7.
- F. Boycotts of products the Cooperative normally sells in accordance with Subsection 3.3E.
- G. Individual capital expenditures by the Cooperative in excess of one-hundred thousand dollars (\$100,000.00).
- H. The purchase of real estate that has been requested by the Board.
- I. Borrowing from the Capital Fund in excess of twenty thousand dollars (\$20,000) if requested by the Board pursuant to Section 8.2.
- J. Any matter not inconsistent with the Bylaws or the Certificate of Incorporation for which the Secretary receives written notice at least fifteen (15) days before an Annual General Membership Meeting or September 30, whichever is earlier, and which receives at least four Members "seconds" on any such motion at the Meeting.

A Member shall also be heard on any other matter properly before the General Membership Meeting, including the annual report of the Cooperative's operations.

Section 6.4 Inspection of the Records

A. Register of the Membership

The Register of the Membership is maintained electronically within the store Point of Sale system. Any Member in good standing may inspect the Register of the Membership during normal business hours after providing the Secretary and Co-op General Manager at least ten (10) days written notice. Any other Member in good standing who is present at the time the Register is made available for the Member who has given the written notice may also inspect the Register.

B. The Books

Any Member may inspect the books for a purpose related to the Member's interest as an owner of the Cooperative during normal business hours after providing the Secretary and General Manager at least ten (10) days written notice. Such inspection shall consist of the Profit and Loss Statement and Balance Sheet. A more detailed or more specific request must be submitted in writing to the Secretary and may need more time to prepare, and such request will not be unreasonably denied.

ARTICLE VII – OFFICERS AND COMMITTEES OF THE BOARD OF STEWARDS

Section 7.1 Election of Officers

The Board of Stewards shall meet at the next scheduled Store Meeting after each Annual General Membership Meeting for the purpose of electing Officers. The Board of Stewards shall elect from their number a President, Vice President, Treasurer and Secretary. Staff persons (and spouses or domestic partners of staff persons) who are elected to the Board of Stewards shall be ineligible to hold Office. Officer terms are one year in length. If any office becomes vacant during the term, the Board of Stewards shall elect a replacement. The Board may consider and adopt a succession plan for some or all offices.

Section 7.2 General Duties of Officers

A. Officers shall, absent good cause, attend all Meetings of the Board of Stewards, including all General Membership Meetings, and shall perform such other duties and have such other powers as the Board of Stewards may from time to time prescribe.

B. Outgoing Officers shall return all property of their office to the Board of Stewards to be transferred to incoming Officers and shall be removed as Signatories from all accounts of the Cooperative.

Section 7.3 President

The President or the President's designee shall preside over all General Membership Meetings and other Meetings of the Board of Stewards and shall see that all Orders and Resolutions adopted at these Meetings are

carried into effect. The President, or designee, shall be the official representative of the Cooperative to outside Associations or Organizations of which the Cooperative is a member.

Section 7.4 Vice President

The Vice President shall act in the absence of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 7.5 Secretary

The Secretary shall keep a complete record of all General Membership Meetings and other Meetings of the Board of Stewards and record all proceedings of the Meetings in a book kept electronically for that purpose. The Secretary shall sign papers pertaining to the Cooperative as authorized or directed by the Board of Stewards. The Secretary shall serve all notices required by Delaware law, the Bylaws and the Policies of the Cooperative. The Secretary shall give, or cause to be given, notice of all General Membership Meetings and of other Meetings of the Board of Stewards. The Secretary shall be the keeper of the Bylaws, and shall have custody of the master copy; shall, whenever the Bylaws are amended, promptly update the master and provide the staff with a clean copy for reproduction and distribution; shall, upon request, provide any Member with an electronic copy unless such Member does not have regular personal access to electronic means, in which case a paper copy shall be provided; shall maintain at least one backup copy outside the Store, for safekeeping; and shall, when leaving office, be personally responsible for passing the master copy to the incoming Secretary. If the Board of Stewards determines that the Secretary has an actual or potential conflict of interest or that there is the appearance of such a conflict of interest, the duties of the Secretary set forth in this Section and elsewhere in the Bylaws, may be performed by the President or in the event the President is also conflicted by another Steward who does not have such a conflict of interest.

Section 7.6 Treasurer

The Treasurer, acting as an agent of the Board of Stewards, shall ensure the proper keeping of the Cooperative's funds; the full and accurate

accounts of receipts and disbursements in books belonging to the Cooperative; and that all monies and other valuable effects be deposited in the name and to the credit of the Cooperative in such depositories as may be designated by the Board of Stewards.

Section 7.7 Committees

The Board of Stewards may designate standing and *ad hoc* committees as it deems prudent; all appointments of committee personnel are subject to confirmation by the Board of Stewards. No such committee shall include a majority of the Board of Stewards.

ARTICLE VIII – FISCAL CONTROL

Section 8.1 Fiscal Year

The fiscal year shall end on June 30 or on such other date as shall be fixed by resolution of the Board of Stewards.

Section 8.2. Capital Fund

This Capital fund is to be used for the procurement and improvement of the Cooperative's physical facilities, and associated expenses. Except as provided in Section 6.3, the Board of Stewards must approve all expenditures of Capital fund monies and all transfers of Capital fund assets. The Board may authorize the general operating account to borrow up to a total of \$20,000.00 (twenty thousand dollars) from the Capital fund during periods of financial difficulty and may seek Member approval for larger amounts consistent with Section 6.3. The general operating account must repay, without interest, all money borrowed from the Capital fund immediately following a period of financial difficulty, according to a schedule agreed upon by the Board of Stewards. The Board of Stewards shall certify by written resolution, by unanimous consent if possible or simple majority vote, the beginning and end of a "period of financial difficulty", and its reason(s) for declaring such status.

Section 8.3 Books And Records

The books and records of the Cooperative shall be kept by such persons as the Board of Stewards shall designate. Funds of the Cooperative shall

be received and handled only by such persons as the Board of Stewards designates and shall be deposited in such place or places as the Board of Stewards designates. The funds, books and records of the Cooperative shall be kept according to generally accepted accounting principles.

Section 8.4 Annual Report

An annual report of the Cooperative's operations shall be mandatory at the Annual General Membership Meeting. The annual report shall contain a statement of assets and liabilities, a statement of income and expenses, detailed reports of the Capital fund, Membership rolls and payments, and such other statements as the Board of Stewards shall require. These reports should be handed out or posted so they can be seen and read during the Meeting. The Treasurer or such other person or persons designated by the Board of Stewards, shall coordinate and give the financial report. The latest financial report prepared by a Certified Public Accountant shall also be available at the Meeting and at the principal office for inspection.

Section 8.5 Signatories

All checks or other payments by the Cooperative shall be signed by such officer or officers or such person or persons as the Board of Stewards may from time to time designate.

- Restricted Accounts – President, Treasurer, and General Manager
- Operational Accounts – Treasurer, General Manager, Designated General Manager (DGM), and one other staff person as designated by the General Manager.

When a Steward's term of office has ended or a General Manager or other Manager has resigned or is terminated, their signatory right is automatically null and void.

Section 8.6 Depositories

The Board of Stewards shall have the power to select one or more banks or other financial institutions to act as depositories of the funds of the Cooperative and to determine the person or persons who shall have authority to sign checks and other instruments.

Section 8.7 Contractual Authority

All promissory notes, bonds, mortgages, leases, and contracts designated by the Board of Stewards, together with other papers designated by the Board of Stewards, shall be executed by the President and/or Treasurer pursuant to appropriate resolution by the Board of Stewards. If such designated officers are unable or unwilling to execute, the Board of Stewards may authorize any officer or officers or any agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Cooperative and such authority may be general or confined to specific instances.

Section 8.8 Audit/Annual Review

The Board of Stewards or General Manager shall contract with a Certified Public Accountant to review the books of the Cooperative on an annual basis and to perform other services as needed.

Section 8.9 Inventory

The staff or designated agent shall take and supervise the taking of a merchandise inventory at least once every six (6) months.

Section 8.10 Conflict of Interest

Stewards shall disclose their actual or potential conflicts of interest and shall absent themselves from discussion and decision of any related matter under consideration by the Board unless otherwise determined by the Board. Stewards may not do business with the Cooperative except in the same manner as other Members generally do business with the Cooperative or under other conditions that avoid preferential treatment. No Steward shall participate to a material degree in the profits of any contract made with the Cooperative or compete in business with the Cooperative to a material degree except with the written approval of a majority of the Board of Stewards.

Section 8.11 Return to Members

Any surplus from operations shall be returned to the Members of the Cooperative through higher discounts, or lower markups in the future, or reinvestment in the business, after a reserve of one (1) year operating expenses has been established.

ARTICLE IX – DISSOLUTION

Section 9.1 Dissolution

Any dissolution and liquidation of the Cooperative shall be undertaken in a manner consistent with Delaware law and the Bylaws. In the event of dissolution of the Cooperative, any surplus over and above the Cooperative's debts, liabilities, and expenses shall be distributed equally among those who are active Members in good standing at the time of dissolution.

ARTICLE X – AMENDMENT

Section 10.1 Bylaw Amendments

The Bylaws may be amended by a two-thirds (2/3) vote of the Members voting on any motion to amend at any General Membership Meeting of the Cooperative, provided a copy of the proposed changes has been posted at the main office and filed with the Secretary at least twenty (20) days prior to such Meeting. Any amendment proposed in the above manner may be amended on the floor of the Meeting.