

Bylaws of Raymond Avenue Cooperative at Hampden, Inc., St. Paul, Minnesota

Approved by the Membership June 10, 1993

Article I. (Name)

This corporation, Raymond Avenue Cooperative at Hampden, Inc., shall also be known as and do business as Hampden Park Cooperative. (Article I as amended at the Annual Meeting November 9, 1997.)

~~This corporation, Raymond Avenue Cooperative at Hampden, Inc., shall also be known as and do business as Hampden Park Foods. (Strikeout text denotes text as originally written.)~~

Article II. (Purpose)

This corporation exists to serve its member stockholders and the surrounding community, promoting wholesome, healthful and ecologically sound food consumption, and permitting member involvement both in the procurement of that product and the operation of the corporation.

Article III. (Membership)

Section 1. (Qualifications) Any individual or household may, on approval of application by the Board of Directors, be accepted as a member of Raymond Avenue Cooperative at Hampden, Inc., on terms established by the Board of Directors. In addition, any cooperative or non-profit organization may, on approval of its application by the Board of Directors, be accepted into membership on terms established by the Board of Directors. There will be no discrimination in either its membership of operations on the basis of age, color, creed, disability, marital status, national origin, public assistance status, race, religion, sex sexual preference or veteran status. Qualifying terms shall include, at a minimum, the prior purchase of at least one share of Class A capital stock, cost to be refunded should membership be denied by the Board of Directors. The Board may also set additional requirements for membership including but not limited to conditions such as annual member maintenance fees and periodic volunteer work requirements.

Section 2. (Application) Application for membership shall be made in writing on a form provided by Raymond Avenue Cooperative at Hampden, Inc., A subscription for a membership,

constituting the refundable purchase of at least one share of Class A capitol stock for the amount of thirty dollars (\$30.00) shall be part of the application and is payable when the application is submitted.

Section 3. (Action on Applications) An application shall be acted on by the Board of Directors as a specific agenda item at the first meeting after it is received. The Board shall have the prerogative to act on all pending applications with either a single combined vote, or individually if a division of the question is requested by any single director.

Section 4. (Corporate Documents) Each new member shall receive a receipt/certificate attesting to their ownership of at least one share of capital stock, and a current copy of the Articles and Bylaws of Raymond Avenue Cooperative at Hampden, Inc., Copies of any of the policies or materials deemed pertinent by the Board or by the store manager/coordinators shall also be given each member.

Section 5. (Orientation) Each new member may be required to attend an orientation meeting.

Section 6. ("Individual" Member Defined) Any person eighteen (18) years or older may apply for and hold membership in Raymond Avenue Cooperative at Hampden, Inc., provided he or she also meets such other qualifying terms as may be set forth in these Bylaws or by board policy.

Section 7. ("Joint" Member Defined) A membership may be held jointly for a "household" in the names of two or more persons. When a membership is held jointly, the listed owners of that share shall be required to determine among themselves who shall cast any member votes by mail or at meetings. The corporation shall assume that in any instance where only one of the listed members of a jointly held share is present, that person holds full rights to vote or act for all owners of that share. If a second owner contests the right of a share's co-owner to act for that "member" the Board shall be required to offer to the contesting parties an authorization of the immediate sale of separate membership shares to each of the contesting parties, approve immediate membership status for each new individual member so created (provided each new member also meets all other qualifying

terms set forth in these Bylaws or by Board policy), and retire the jointly held membership.

Section 8. (Termination) If a member dies or moves from the territory served by Raymond Avenue Cooperative at Hampden, Inc., or for a period of one (1) year fails to patronize it, or fails to comply with the requirements of these Bylaws, Board policy, or for other good cause not inconsistent with law, the Board of Directors may elect to cancel his, her, or its membership

a) purchasing that member's Class A stock for its par value, or its book value if less than the par value, and paying any patronage refund due or unpaid, less any indebtedness due to Raymond Avenue Cooperative at Hampden, Inc., or

b) purchasing that member's Class A stock by tendering to the member Class B stock and paying any patronage refund due or unpaid, less any indebtedness due to Raymond Avenue Cooperative at Hampden, Inc.

At its discretion, the Board may or may not choose to also immediately redeem any B or C Class stock owned by the terminated member, subject to the same indebtedness or devaluation applicable to the redemption of their Class A stock. Regardless of the Board's decision regarding Class B or C stock, voting and members rights in the corporation shall terminate with the redemption of Class A stock.

(Section 8 as amended at the November 2002 Annual Meeting. Single underlined text indicates changes. (The double underlined text indicates a bylaw change approved at the November 2001 Annual Meeting.))

Section 8. (Termination) If a member dies or moves from the territory served by Raymond Avenue Cooperative at Hampden, Inc., or for a period of one (1) year fails to patronize it, or fails to comply with the requirements of these Bylaws, Board policy, or for other good cause not inconsistent with law, the Board of Directors may elect to cancel his, her, or its membership by purchasing that member's Class A stock for its par value, or its book value if less than the par value, and paying any patronage refund due or unpaid, less any indebtedness due to Raymond Avenue Cooperative at Hampden, Inc., At its discretion, the Board may or may not choose to also immediately redeem any B or C Class stock owned by the terminated member, subject to the same indebtedness or devaluation applicable to the redemption of their Class A stock. Regardless of the Board's decision regarding Class B or C stock, voting and members rights in the corporation shall terminate with the redemption of Class A stock. (Strikeout text denotes text as originally written.)

Section 8. (Termination) If a member dies or moves from the territory served by Raymond Avenue Cooperative at Hampden, Inc., or for a period of one (1) year fails to patronize it, or fails to comply with the requirements of these Bylaws, Board policy, or for other good cause not inconsistent with law, the Board of Directors may elect to cancel his, her, or its membership by purchasing that member's Class A stock for its par value, or its book value if less than the par value, and paying any patronage refund due or unpaid, less any indebtedness due to Raymond Avenue Cooperative at Hampden, Inc., At its discretion, the Board may or may not choose to also immediately redeem any B or C Class stock owned by the terminated member, subject to the same indebtedness or devaluation applicable to the redemption of their Class A stock. Regardless of the Board's decision regarding Class B or C stock, voting and members rights in the corporation shall terminate with the redemption of Class A stock. (Bylaw change made at November 2001 Annual Meeting. Double underlined text indicates addition to original bylaw.)

Section 9. (Transfer Restriction) In applying for and being granted membership in Raymond Avenue Cooperative at Hampden, Inc., each member agrees that if he, she or they desire to dispose of their membership shares of stock in Raymond Avenue Cooperative at Hampden, Inc., that the stock can only be transferred back to Raymond Avenue Cooperative at Hampden, Inc., and only with approval by the Board of Directors. The stock of this association is not transferable in any other manner or event.

Article IV. (Member Meetings)

Section 1. (Annual Meeting) An annual meeting of the membership shall be held in the territory served by Raymond Avenue Cooperative at Hampden, Inc., annually, at such time on such day and in such place as may be determined by the Board of Directors. The order of business at the annual meeting shall be:

- a) Appointment by the President of tellers, registrars, parliamentarian, sergeant at arms and recording Secretary, each if and as necessary.
- b) Calling of roll or registering of members.
- c) Presentation and recording of proof of notice of meeting.
- d) Presentation and recording of proof of quorum.
- e) Challenges to voting rights for jointly owned shares and regarding membership in good status.
- f) Reading and disposing of all unapproved minutes.
- g) Annual reports of officers, management and committees (may be presented in writing).
- h) Consideration of amendments to Bylaws.
- i) Consideration of resolutions.
- j) Election of Directors
- k) Other business.
- l) Adjournment.

Section 2. (Special Meetings) The President shall call a special meeting of the members if presented a written request detailing a question or agenda for consideration, accompanied by valid signatures of at least twenty per cent (20%) of the members, or two-

thirds of the Directors. A notice of the time, place, and purpose of such a special meeting shall be issued within ten (10) days of the petition's presentation, and the special meeting shall be held within thirty (30) days of the date the petition was presented. No business shall be considered at that meeting except as may be mentioned in the call and included in the notice of the meeting. This shall not, however, prevent the President of Raymond Avenue Cooperative at Hampden, Inc., from adding other questions to that meeting's agenda, provided they too are listed in the call and notice of the meeting.

Section 3. (Notice of Meetings) Notice shall be given by the Secretary of all meetings of the members at least 15 days previous to the date of the meeting. Notice shall be either by publication in a legal newspaper published in the county of the principal place of business of Raymond Avenue Cooperative at Hampden, Inc., or by publication in a magazine, periodical, or house organ regularly published by or on behalf of Raymond Avenue Cooperative at Hampden, Inc., and circulated generally among its members; or by mailing a notice thereof to each member at his, her, or its last known address. The Secretary shall provide a certificate including a copy of the notice and stating the place and date of mailing, and/or where published. All notices must also be prominently displayed in a place readily accessible to members at the corporation's place of business, for essentially the entire time between its issuance and the occasion of the meeting. The failure of any member to see or receive a notice of the Annual or any special meeting of the membership shall not invalidate any action which may be taken at such a meeting. Presence at the meeting shall constitute a member's waiver of notice of that meeting.

Section 4. (Voting) No member shall be allowed to vote by proxy at any meeting of Raymond Avenue Cooperative at Hampden, Inc., and no member shall have more than one vote, regardless of the numbers or classes of shares owned. A mail ballot on a question, posted by U.S. first class mail, may be authorized by a two-thirds vote of the Board, and its results considered binding if valid ballots are received from at least twenty-five (25) percent of the members. Such mail ballots must include a complete text of the question, an explanation of the ballot options and their best known consequences as appropriate, and a deadline for their return which is no fewer than ten (10) days after the mailing of the ballots by the Secretary. The President shall appoint tellers to receive and count returned ballots at an appropriate meeting of the membership or the Board.

Section 5. (Presiding Officer) The President or his or her designee from among the members of Raymond Avenue Cooperative at Hampden, Inc.,

shall preside at all meetings of the membership.

Section 6. (Quorum) At any regular or special meeting of the members, a quorum necessary for the transaction of business shall be at least ten percent (10%) of the total number of members of Raymond Avenue Cooperative at Hampden, Inc., except that when the number of members shall exceed five hundred, fifty members present shall constitute a quorum. A meeting shall be considered to have a quorum through its entire business agenda so long as a quorum is certified as present at the appropriate point in the agenda, near the beginning of the meeting.

Article V. (Board of Directors Meetings)

Section 1. (Regular Meetings) Regular meetings of the Board of Directors shall be held at such time, but no less frequently than quarterly, as the Board, by proper resolution duly adopted and recorded in the minutes, shall from time to time determine. Such meetings shall be held in the territory served by Raymond Avenue Cooperative at Hampden, Inc., and shall be advertised or posted with a prospective agenda in a place or a manner readily accessible for perusal by members at least seven (7) days prior to the meeting. Such meetings shall be open to the members except that portions may be declared closed to all but Directors and specifically invited parties, on motion approved by 2/3 of the Board in a recorded roll call vote, for consideration of confidential matters such as but not necessarily limited to personnel decisions, membership approvals and litigation. Final actions taken in closed session must be recorded in the minutes.

Section 2. (Special Meetings) Special meetings of the Board of Directors may be called by the President or by a resolution signed by 2/3 of the Directors. In the failure of the President to convene a meeting called by resolution, that meeting may be convened by such other member of the Board as may be selected by the signatories to the resolution. Each member of the Board of Directors shall be duly notified of all such meetings, and a call and agenda shall be posted as far in advance as practicable in a place or a manner readily available for perusal by members. Presence at a meeting shall constitute a waiver of notice of such meeting. Such meetings, once convened, shall function as if they were regularly scheduled meetings, with no restrictions as to the manner of business which may be considered.

Section 3. (Action Without Meeting) Any action which may be taken at a meeting of the Board, or of a lawfully constituted committee of the Board, may be taken without a meeting if set forth in a document approved in writing by all Directors or all committee members, as the case may be, and such act will be effective on the date on which the last signature is

placed on that document, or on such earlier or later effective date set forth in the document.

Section 3. (Quorum) A majority of the Directors shall constitute a quorum at any time in all meetings of the Board. It shall NOT be necessary for a quorum call to be specifically requested to suspend a meeting. The presiding officer shall maintain a running quorum count and shall call a meeting recessed or adjourned immediately on the absence of a quorum.

Section 4. (Voting) A majority vote of the Directors present shall decide all business at Meetings of the Board, except where specified elsewhere in these Bylaws or in the Articles of Incorporation, and except as to questions of meeting procedure that shall be decided as directed by parliamentary reference and authority.

Section 5. (Order of Business) The order of business at regularly scheduled meetings of the Board of Directors shall approximate as closely as practicable the following:

- a) Call to order
- b) Registering of those in attendance
- c) Approvals of past meeting minutes
- d) Reports from Officers of the Board, committees and business managers as appropriate
- e) Member application approvals
- f) Old business
- g) New business
- h) Establishing (by consensus when possible) date, time and place for next necessary meeting
- i) Adjournment

Article VI. (Directors)

Section 1. (Number of Directors, Qualifications and Terms) There shall be nine (9) Directors of Raymond Avenue Cooperative at Hampden, Inc., all of whom must be fully qualified members of the cooperative at the times of their elections, and so long as they remain Directors. Eight (8) Directors shall serve staggered three-year terms, with three (3) Directors coming up for election at each annual membership meeting, except every third year at this time two (2) Directors come up for election. Directors shall assume their positions immediately on confirmation of their election at the annual

meeting. The ninth Director shall be elected by the "coordinator" employee members of the cooperative as close to the annual meeting as possible, and shall serve a one-year term. If any Director shall cease to be a member of Raymond Avenue Cooperative at Hampden, Inc., his or her office shall be immediately and automatically vacated. - Article VI (Directors) Section 1. Amended by membership Vote at Annual Meeting October 29, 1995.

Section 1. (Number of Directors, Qualifications and Terms)

~~There shall be nine (9) Directors of Raymond Avenue Cooperative at Hampden, Inc., all of whom must be fully qualified members of the cooperative at the times of their elections, and so long as they remain Directors. Eight (8) Directors shall serve staggered two-year terms, with four (4) coming up for election at each annual membership meeting. Directors shall assume their positions immediately on confirmation of their election at the annual meeting. The ninth Director shall be elected by the "coordinator" employee members of the cooperative as close to the annual meeting as possible, and shall serve a one-year term. If any Director shall cease to be a member of Raymond Avenue Cooperative at Hampden, Inc., his or her office shall be immediately and automatically vacated. (Striked text denotes article as originally written.)~~

Section 2. (Elections) Elections of Directors shall be by secret ballot of the members present at the meeting when such an election occurs. No proxy votes are permitted. Nominations shall be done once as a single group. The nominations committee of the Board may present a slate of nominees, to which additional names from those in attendance may be added. Self-nominations shall be permitted. Members shall be permitted to vote on their ballots for up to as many nominees as there are positions being filled in any regular or special election of Directors. Members are not required to list any names on any ballot. Those receiving the largest numbers of votes will be considered elected, provided they were listed on a majority of the ballots cast. Should all vacant positions not be filled after a single ballot, the remaining candidates shall be submitted to the members for a second ballot, except that the candidate receiving the fewest votes on the first ballot, and all other candidates appearing in fewer than 10 percent of the ballots cast shall be struck from the nominee list. Should nominees numbering fewer than one more than the vacancies remaining to be filled remain on the ballot, then additional nominations of persons outside the original pool of nominees shall be solicited. If an insufficient number of additional nominees are presented, the nominees still listed may be presented for a final ballot and may be elected to the Board if they are listed on a majority of the ballots cast. If vacancies remain after the final ballot, such positions shall be declared vacant for the remaining elected Directors to fill at a meeting of the Board of Directors.

Section 3. (Vacancies) Any vacancy among the eight member-elected Directors may be filled by a nominee presented by any member of the Board, on approval by a majority vote of the remaining Directors, unless that vacancy was created by the members recalling the Director holding that position from office. A Director selected by the board shall serve to the completion of the term of the Director position being assumed. Those remaining Directors shall have the discretion to NOT fill a vacancy, instead leaving it to be filled in a special vote by the membership at the next annual or at a specially called meeting for that purpose. A vacancy created by any recall vote of the membership may be left vacant for the remainder of that Director position's term, or may have a replacement elected by the membership to complete the term, at the discretion of a majority vote, by secret ballot, of the members attending the recall meeting.

Section 4. (Election of officers of the Board) The Board of Directors shall meet within thirty (30) days after each annual member meeting and shall elect by consensus or by ballot from among their number a President, Vice President, Secretary and Treasurer (or a combined Secretary-Treasurer). A recording Secretary may also be appointed who need not be a Director. Officers shall hold office until their successors are selected, if they are continuing as Directors and are not reelected to their officer position, or until results are announced of the first ballot for Directors at the annual meeting if their terms as Directors are ending. Any officer may be removed at any time and for any reason expressed as the judgement of the board that the best interests of Raymond Avenue Cooperative at Hampden, Inc. will be thereby served, on the submission of a written motion signed by the maker and by a second, and a recorded roll call vote in the affirmative of two-thirds of ALL serving Directors.

Section 5. (Removal by Recall) Any Director of Raymond Avenue Cooperative at Hampden, Inc., may be removed from the Board by the members on a majority vote at any regularly scheduled member meeting or at a special meeting called for that consideration, if a quorum is certified as present, acting on the presentation and seconding of a written motion detailing the reasons for the move to recall. Any Director whose recall is sought must be informed of that pending action by certified mail, posted to their last known address at least seven (7) days in advance of the meeting at which recall is sought, and MUST be afforded the opportunity to present a defense to the members prior to the vote. Failure of the named Director to attend the meeting or to take advantage of the opportunity to present a defense shall not restrain the assembled members from voting to recall. If the recall motion succeeds, the members may choose to elect a replacement

immediately, through balloting procedures as at the Annual Meeting, or they may choose by not electing a replacement to allow the remaining Directors to fill the vacancy.

Section 6. (Removal/Resignation by Absence)

Failure of a Director to attend three consecutive, or three of the four previous Directors meetings legally constituted by the presence of quorums, shall automatically remove a Director from the Board as if he or she had tendered a resignation, unless the remaining Directors choose by a recorded resolution to excuse one or more of the absences.

Section 7. (Compensation) Members serving on the Board of Directors may receive compensation on the approval of an enabling resolution by the members at the annual meeting or at a special meeting called for that consideration. Directors shall be entitled to reimbursement for actual expenses incurred in attending Board meetings or performing any other business of Raymond Avenue Cooperative at Hampden, Inc. when such expenditures have been approved by the President, or by the Treasurer, or by a two-thirds vote of the Directors. If compensation is enabled by an approved resolution of the members, types and amounts of compensation for Directors may be set by a resolution of the Board of Directors. Time spent by Directors at meetings and on other Board duties shall be recognized as volunteer time accruing to their maintenance of membership in good standing.

Section 8. (Tenure on Board) There shall be no limit to the number of consecutive terms a member may serve as a Director.

ARTICLE VII. (Duties and Powers of Directors)

Section 1. (Management of Business) The Board of Directors shall govern the business and the affairs of Raymond Avenue Cooperative at Hampden, Inc. and make all necessary rules and regulators not inconsistent with law or with these Bylaws, for the governance of the business and the guidance of the officers, employees and agents of Raymond Avenue Cooperative at Hampden, Inc., and shall have power to employ and dismiss a manager, coordinators and other employees of Raymond Avenue Cooperative at Hampden, Inc., and to determine their duties and fix their wages. The Board shall also have the authority to delegate all matters of personnel hiring and wages, other than for a manager by that or any other title, to a manager by that or any other title.

Section 2. (Bonds of Employees) The Board of Directors may require the manager and all other officers, agents and employees charged by the

cooperative with responsibility for the custody of any of its funds or property to provide a fidelity bond in such sum as the Board of Directors shall determine. Such bond shall be furnished by a responsible bonding company or other surety satisfactory to the Directors, and the cost thereof shall be paid by Raymond Avenue Cooperative at Hampden, Inc.

Section 3. (Audits) The Board of Directors shall examine all accounts at their regular meetings, at least four times a year, and may also have corporate financial records audited one or more times a year by a competent auditing service. Such audit, if only once a year, shall be made between the date of the close of the fiscal year and the date of the annual meeting, and a written report of such audit shall be submitted to the members at their annual meeting. Such report shall contain a balance sheet showing the financial condition of Raymond Avenue Cooperative at Hampden, Inc. at the close of the fiscal year, a statement of income and expense for the year, and such statistical memoranda as may be desired by the Board of Directors.

Section 4. (Committees) The Board may appoint such ad hoc committees as it deems appropriate, and may delegate to them any activities and decisions not required of the entire Board by law, by Raymond Avenue Cooperative at Hampden, Inc., Articles of Incorporation, or by these Bylaws. In addition, the following Standing Committees shall be established, with members and procedures set by resolution of the Board, and with membership not necessarily restricted to members of the Board except that actions by such committees with non-Board members shall be subject to affirming votes of the Board:

- a) Personnel: charged with hearing grievances, seeing to the proper placements of position available advertisements as appropriate, screening applicants for positions directly responsible to the Board, recommending and/or reviewing personnel related policy as necessary; and with other appropriate activities,
- b) Membership: charged with developing and executing policies and practices to enhance the sense of community among the cooperative's member; and with improving communications between and among the Board, the management and the members; and with making appropriate arrangements for and organizing the Annual Meeting, including preparing candidate slates to be placed in nomination for Directors, such slates to include at least one

- person more than there are vacancies to be filled at the meeting, with said names of nominees to be accompanied by such biographical summaries and position statements as may be submitted by nominees; and with other appropriate activities,
- c) Finance: charged with reviewing and developing recommendations for financial polices and strategies appropriate to maintaining and improving the fiscal well-being of the cooperative; and with other appropriate activities.
 - d) Physical Plant:: charged with planning for the maintenance and improvement of the major physical assets of the cooperative, and/or assisting the management with same; and with other appropriate activities.
 - e) Board Development: charged with developing and planning nominations, elections, orientations, and training of board members, including preparing candidate slates to be place din nomination for directors, such slates to include at least one person more than there are vacancies to be filled at the meeting, with said names of nominees to be accompanied by such biographical summaries and position statements as may be submitted by nominees; and with performing other appropriate duties. (Article VII, Section 4, amended at Annual Meeting November 10, 1996.)

- a) Personnel: charged with hearing grievances, seeing to the proper placements of position available advertisements as appropriate, screening applicants for positions directly responsible to the Board, recommending and/or reviewing personnel related policy as necessary; and with performing other appropriate activities,
- b) Membership: charged with developing and executing policies and practices to enhance the sense of community among the cooperative's member; and with improving communications between and among the Board, the management and the members; and with making appropriate arrangements for and organizing the Annual Meeting; ~~including preparing candidate slates to be placed in nomination for Directors, such slates to include at least one person more than there are vacancies to be filled at the meeting, with said names of nominees to be accompanied by such biographical summaries and position statements as may be submitted by nominees;~~ and with performing other appropriate activities,
- c) Finance: charged with reviewing and developing recommendations for financial polices and strategies appropriate to maintaining and improving the fiscal well-being of the cooperative; and with performing other appropriate activities.
- d) Physical Plant: charged with planning for the maintenance and improvement of the major physical assets of the cooperative, and/or assisting the management with same; and with performing other appropriate activities.

(Strikeout area indicates text removed from original bylaws. Double underline indicates wording added to original bylaws. Note: e) was added in entirety.)

ARTICLE VIII. (Duties and Powers of Officers)

Section 1. (President) The President shall:

- a) Preside over all meetings of Raymond Avenue Cooperative at Hampden, Inc. and of the Directors.
- b) Sign as President, with the Secretary, or Secretary-Treasurer, all notes, deeds and conveyances of real estate, as well as all certificates of stock of Raymond Avenue Cooperative at Hampden Inc., and any legally necessary communications.
- c) Authorize, with the Treasurer, or Secretary-Treasurer, such expenditures as may be appropriate and necessary

for reimbursing actual expenditures by Directors incurred in attending meetings or performing activities on behalf of Raymond Avenue Cooperative at Hampden, Inc.

- d) Perform or delegate such other duties as may be necessary to the fiscal or organizational health of Raymond Avenue Cooperative at Hampden, Inc.
- e) Serve ex-officio on all standing committees.

Section 2. (Vice President) The Vice President shall:

- a) In the absence or disability of the President, the Vice President shall preside and perform the duties of the President.
- b) Serve ex-officio on all standing committees.
- c) Perform or delegate such other duties as may be necessary to the fiscal or organizational health of Raymond Avenue Cooperative at Hampden, Inc.

Section 3. (Secretary) The Secretary will:

- a) See to the maintenance of a complete record of the meetings of Raymond Avenue Cooperative at Hampden, Inc., and of the Board of Directors,
- b) Sign as Secretary, with the President, all notes, deeds and other conveyances, as well as all certificates of stock of Raymond Avenue Cooperative at Hampden, Inc., and affix the corporate seal, if one should exist, to all documents requiring attestation.
- c) Cause to be prepared and submit to the annual meeting of the members a complete and detailed report of the current year's business, containing a statement of assets and liabilities, a statement of income and expenses and such other statements and memoranda as the Board of Directors requires; each prepared in sufficient quantity so that each member REASONABLY EXPECTED to be attending the Annual Meeting may have a copy. He or she shall also submit such monthly reports as may be required by the Board of Directors.

- d) The Board of Directors may delegate the duties enumerated in subsection (c) of Section 3 of this Article to some employee or employees of Raymond Avenue Cooperative at Hampden, Inc., and may substitute the report of a disinterested accountant who may be engaged to audit the cooperative's records and accounts.
- e) Serve all notices required by law.
- f) Perform or delegate such other duties as may be necessary to the fiscal or organizational health of Raymond Avenue Cooperative at Hampden, Inc.

Section 4. (Treasurer) The Treasurer shall:

- a) Receive and disburse all funds of Raymond Avenue Cooperative at Hampden Inc., except as may be delegated by the Treasurer or by the Board to one or more employees so as to enable the normal conduct of business.
- b) Cause to be maintained a complete record of all financial transactions of Raymond Avenue Cooperative at Hampden, Inc.
- c) Perform or delegate such other duties as may be necessary to the fiscal or organizational health of Raymond Avenue Cooperative at Hampden, Inc.

Section 5. (Secretary-Treasurer) In the event that the offices of Secretary and Treasurer are combined, then the duties shall be a combination of the duties of the Secretary and the Treasurer and his or her office shall be known as Secretary-Treasurer.

Section 6. (Manager) The Board of Directors shall have power to employ and dismiss a manager, under that or any other title, who shall have general charge of the ordinary and usual business operations of Raymond Avenue Cooperative at Hampden, Inc., under and subject to the direction and approval and control of the Directors.

- a) The manager shall maintain records and accounts in such manner that the true and correct condition of the business may be ascertained from them at any time. He or she shall render annual and periodical statements in the form and manner prescribed by convention or by the Directors. He or she shall carefully preserve all books, documents, correspondence and records of

whatever kind pertaining to the business which may come into his or her possession.

- b) The manager shall employ and discharge employees not specifically employed by the Board.
- c) The manager shall handle and account for all moneys belonging to Raymond Avenue Cooperative at Hampden, Inc., which come into his or her possession, in a manner and form prescribed by convention or by the Directors.

ARTICLE IX. (Capitol Stock and Surplus)

Section 1. (Issuing Certificates) Certificates of stock shall be issued only when such stock is fully paid for. Each certificate shall state the par value of such stock, the number of and class of shares represented, and the name of the member or person to whom it is issued. It shall bear the signature of the President, and Secretary or Secretary Treasurer, and be sequentially numbered and issued. A record of each certificate shall be kept by Raymond Avenue Cooperative at Hampden, Inc. Such certificates shall state the class of the stock with its relative rights, preferences, and/or restrictions granted to or imposed upon those shares. Each certificate shall have printed on it words to the effect that it shall be transferable only to the cooperative, on surrender of the certificate, with the consent and approval of the Board of Directors; that the corporation retains the right to purchase or recall such certificate, and that it is subject to any indebtedness owing the corporation by the holder thereof.

Section 2. (Stock Issued or Transferred) Shares of stock shall not be transferred in any manner other than back to the cooperative with the consent and approval of the Board of Directors. If the certificate has been lost or destroyed, the Board of Directors may require the holder to furnish an indemnifying bond protecting Raymond Avenue Cooperative at Hampden, Inc., against any loss or damage by reason of issuing a new certificate, and may further require the person to make an affidavit that he or she has not sold, transferred, assigned, or hypothecated (used for security against a loan) said stock, in any manner contrary to the requirements of Raymond Avenue Cooperative at Hampden, Inc., Articles of Incorporation and these Bylaws.

ARTICLE X. (Revolving Fund and Records)

Section 1. (Nonvoting Stock and Equity Reserve or Capital Interest Certificates)

- a) Issuing: To further the cooperative

character of Raymond Avenue Cooperative at Hampden, Inc., and provide a means for current and active patrons to finance it, Raymond Avenue Cooperative at Hampden, Inc., is authorized to issue Nonvoting Stock, and equity reserve or capital interest certificates, or any other media as determined by the Board of Directors and as permitted by Minnesota law, evidencing the patronage refunds received by Raymond Avenue Cooperative at Hampden, Inc, from other cooperative associations, deductions made pursuant to agreements, or the patronage refunds of this association which are in whole or in part declared, paid, allocated or distributed at the end of each fiscal year.

- b) Revolving Fund Capital Use: Funds and credits arising from the issue of such stock or certificate or other media may be used to create a revolving fund to build working capital and/or finance such an interest in other wholesale or central cooperative associations as Raymond Avenue Cooperative at Hampden, Inc., may from time to time deem necessary, and for revolving such capital.
- c) Retiring Debt Use: Such funds, or funds derived by Raymond Avenue Cooperative at Hampden, Inc., from any other sources, whenever the cooperative determines that all of such funds are not necessary for the proper financing of the operations of Raymond Avenue Cooperative at Hampden, Inc., shall be devoted to retiring Common Stock, liquidating equity reserves or capital interest certificates or certificates of interest, or any other certificates of indebtedness, or any other media previously issued to evidence patronage refunds. If Raymond Avenue Cooperative at Hampden, Inc., determines that funds are available for that purpose, all or any Common Stock, certificates of indebtedness or interest, or any other media, may be retired in full or on a prorated basis either by retiring the oldest outstanding stock in the order of issuance by years, in which case all of the stock of either class issued in a single year shall, as nearly as practicable, be retired at the same time; or on the basis of a percentage of all of the outstanding stock, in which case the same percentage of the stock of said class held by each person shall be

retired at the same time.

Section 2. (Records) The books and records of Raymond Avenue Cooperative at Hampden, Inc. shall be kept on a fiscal year basis, and in such a manner that the patronage refunds of each patron of the cooperative may be ascertained for year end distribution of patronage refunds. Whenever Raymond Avenue Cooperative at Hampden, Inc., determines that its capital and reserves exceed the amount reasonably necessary for its operations on a sound financial basis, that excess, or so much of it as shall be deemed proper by Raymond Avenue Cooperative at Hampden, Inc., may be applied to retiring the outstanding capital and reserve contributions of patrons.

Section 3. (Dissolution Disbursements) On dissolution or liquidation of the Raymond Avenue Cooperative at Hampden, Inc. its debts and liabilities shall be paid according to their respective priorities. Any property or reserves that were the result of a gift with restrictions shall be disposed of in accordance with the restrictions placed on that property. Stockholders shall then be paid the par value of their shares, and payment shall be made in the order of preference as stated in the Articles of incorporation. The remainder of the property, if any, shall be distributed among the patrons and stockholders in accordance with their interests in the reserves and surplus as shown on the records of Raymond Avenue Cooperative at Hampden, Inc. Any additional property remaining after patrons and stockholders have been paid their respective interests, shall be distributed to another association engaged in a similar business on a cooperative or non-profit basis, as shall be determined by the Board of Directors or Trustees, Notice of dissolution shall be given to the Minnesota Attorney General.

ARTICLE XI. (Distribution)

Section 1. (Gross Receipts from Member Patronage) Gross receipts of Raymond Avenue Cooperative at Hampden, Inc. from member patronage shall be all proceeds from the sale of goods and services to patrons who are members of Raymond Avenue Cooperative at Hampden, Inc., and all sums received (including patronage dividends received) which reduce costs and expenses incurred in connection with these activities, subject to the following:

- a) Those gross receipts which reduce the costs and expenses incurred in connection with patronage shall be used to reduce the deductions from gross receipts enumerated in this Article.
- b) All other gross receipts from member patronage shall be distributed by

Raymond Avenue Cooperative at Hampden, Inc., to its member patrons, subject to the deductions and exceptions provided for in this Article.

- c) Deductions from Gross Receipts from Member Patronage: The corporation shall deduct from "gross receipts from member patronage," amounts attributable to gross receipts from patronage, of:
 - (i) All necessary marketing expenses;
 - (ii) Actual cost of services performed for patrons, and cost of supplies, commodities, equipment, and other property procured for patrons;
 - (iii) Taxes;
 - (iv) All other necessary expenses;
 - (v) Reasonable and necessary additions to reserves for depreciation, for depletion, for obsolescence of physical property, for doubtful accounts, and for other valuation reserves, all established and computed in accordance with generally accepted accounting principles.
- d) Annual Net Earnings from Member Patronage: The amount remaining after reducing the "gross receipts from member patronage" by the deductions specified in this Article shall constitute the annual net savings (annual net earnings) from patronage, which shall be distributed to the members of this association in proportion to the amount of business done by them on a patronage basis, subject only to deductions and exceptions provided for in this Article.

Section 2. (Gross Receipts from Sources Other than Patronage) Gross receipts of Raymond Avenue Cooperative at Hampden, Inc. from all sources other than those described in Section 1 of this Article shall constitute gross receipts from sources other than patronage." They shall be subject to the following deductions, and any net amount remaining shall be held or used for the purposes and in the manner provided for in this Article.

- a) Raymond Avenue Cooperative at Hampden, Inc., shall deduct from "gross

receipts from sources other than member patronage" amounts attributable to gross receipts from sources other than patronage of:

- (i) All necessary marketing expenses,
- (ii) The actual cost of services performed for patrons, and of supplies, commodities, equipment, and other property procured for patrons,
- (iii) Taxes,
- (iv) All other necessary expenses, and
- (v) Reasonable and necessary additions to reserves for depreciation, for depletion, for obsolescence of physical property, for doubtful accounts and for other valuation reserves, all established and computed in accordance with generally accepted accounting principles.

- b) Annual Net Savings from Sources Other than Member Patronage: The amount remaining after reducing the "gross receipts from sources other than member patronage" by the deductions specified in Section 2(b) of this Article shall constitute the annual net savings (net earnings) from sources other than member patronage.

Section 3. (Total Annual Net Savings) The sum of annual net savings from member patronage and annual net savings from sources other than member patronage shall be known as the "Total Annual Net Savings."

Section 4. (Educational Reserves) The Board of Directors may set aside a sum not to exceed five percent (5%) of the total annual net savings as an educational fund which shall be used for the purpose of promoting and encouraging cooperative associations.

Section 5. (Capital Reserve)

- a) The Board of Directors shall annually set aside an amount equal to no less than ten percent (10%) of the total annual net savings as a capital reserve. The amounts so set aside shall not be allocated to the credit of the patrons of Raymond Avenue Cooperative at

Hampden, Inc. The amounts so set aside shall be accumulated as the TOTAL from the following sources, to be supplemented from the annual net savings from member patronage as necessary to achieve the ten (10) percent:

- (i) Annual net savings from sources other than member patronage.
- (ii) Annual net savings from member patronage attributable to patrons who are unidentified.
- (iii) Annual net savings from member patronage attributable to patrons who do not consent to take into account patronage dividends from Raymond Avenue Cooperative at Hampden, Inc. in the manner provided in 26 U.S.C. Section 1385.
- (iv) Annual net savings from member patronage attributable to patrons who so consent, but which result, as to any one patron, in a distribution of less than the minimum amount of three dollars (\$3.00).

- b) Notwithstanding anything in this Section to the contrary, the Board or Directors may, by resolution duly adopted prior to the beginning of the fiscal year to which such savings are attributable, determine to set aside such other reasonable amount, whether less than ten percent (10%) or more than ten (10%), but not more than fifty percent (50%), of the total annual net savings in such capital reserve.

Section 6. (Distribution) Except as otherwise provided for in this Article, the annual net savings from member patronage, less any deductions or exceptions as determined by sections of this Article shall be distributed annually, to the member-patrons of Raymond Avenue Cooperative at Hampden, Inc., who consent to take into account the patronage distributions in the manner provided in 26 U.S.C. 1385, on the basis of their respective patronage in accordance with these Bylaws, and said member patrons shall be so notified.

- a) In making such distribution, due regard may be given to the source from which such savings accrue, and separate allocations and distributions may be made for various operations as separate divisions of Raymond Avenue Cooperative at Hampden, Inc.

- b) Patronage dividends shall be distributed in cash or in non-voting stock or by any combination designated by the Board of Directors, Non-voting stock may be paid or redeemed in whole or in part at such time, in such manner and in such order as shall be determined by the Board of Directors in its sole discretion. Without limiting the generality of the foregoing, the Board of Directors shall not be required to but may by resolution establish policies and programs for the payment of or redemption of such non-voting stock. No transfer or assignment of the nonvoting stock shall be binding on Raymond Avenue Cooperative at Hampden, Inc., without its consent.

Section 7. (Losses) If this association sustains an annual loss in its member patron business, it shall have the power and authority to allocate such loss to the member patrons for such year or years on a patronage basis and apply the same against the equity of said member patrons, or to carry forward such loss, as determined by the Board of Directors.

ARTICLE XII. (Tax Consent)

Each person (including individuals, partnerships, and businesses or cooperative corporations) who hereafter applies for and is accepted to membership in Raymond Avenue Cooperative at Hampden, Inc. and each member of this association on the effective date of this Bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to his or her patronage occurring in any fiscal year beginning after December 31, 1962, which are made in written notices of allocation (as defined in 26 U.S.C. 1388, the Internal Revenue Code) and which are received by him, her or it from Raymond Avenue Cooperative at Hampden, Inc., will be taken into account by him, her or it at their stated dollar amounts in the manner provided in 26 U.S.C. 1385 in the taxable year in which such written notices of allocation are received by him, her or it, it being the intent of this Bylaw to provide a consent binding on all members who retain or obtain membership in this association after the adoption of this Bylaw and receipt of a written notification and copy of this Bylaw, for the purpose of making such distributions "qualified written notices of allocation" within the meaning of the United States Income Tax laws.

ARTICLE XIII. (Indemnification)

This association shall indemnify each person who is or has been a Director, officer or employee of this

association, and each person who is serving or who has served at the request of this association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by him or her to the fullest extent of his or her right to indemnity under current Minnesota Corporation Law.

ARTICLE XIV. (Sundry Provisions)

Section 1. (Fiscal Year) The fiscal year of this association shall begin on the first day of July and close on the last day of June of each year.

Section 2. (Amendments) These Bylaws may be amended, repealed or altered, in whole or in part, as provided by law, by a majority vote of the members present and voting at any annual meeting of the membership, or at any special meeting of the members when such action has been duly announced in the call of the special meeting. Amendments shall take effect immediately on approval, unless limited by the directions of an attached execution clause.

Section 3. (Parliamentary Authority) In meetings where procedure becomes an issue, decisions shall be made in accordance with either the latest edition of "Robert's Rules of Order;" or an edition stipulated by Board resolution; or in the absence of such a stipulation and the lack of a copy of the latest edition, any unabridged edition in the immediate possession of the presiding officer at the meeting.

Section 4. (Contradictory Motions and Amendments) No Bylaw may be adopted by the members if it would be contrary to law or to Raymond Avenue Cooperative at Hampden, Inc., Articles of Incorporation. No motions, policies or resolutions may be adopted by the members or by the Board of Directors if such motions, policies or resolutions would be contrary to law; or to Raymond Avenue Cooperative at Hampden, Inc., Articles of Incorporation; or to these Bylaws.