

BYLAWS COOPERATIVE 4 THE COMMUNITY

TABLE OF CONTENTS

ARTICLE 1 - MISSION STATEMENT.....	2
ARTICLE 2 - POINTS OF UNITY	2
ARTICLE 3 - MEMBERSHIP	3
ARTICLE 4 – TERMINATION OF WORKER-MEMBERSHIP.....	5
ARTICLE 5 – MEMBER MEETINGS	6
ARTICLE 6 – BOARD OF DIRECTOR MEETINGS	10
ARTICLE 7 – DECISION-MAKING PROCESS.....	12
ARTICLE 8 - OFFICERS.....	13
ARTICLE 9 – FINANCIAL PROVISIONS	14
ARTICLE 10 – CORPORATE RECORDS AND REPORTS.....	18
ARTICLE 11 – INDEMNIFICATION	19
ARTICLE 12 – BYLAWS CHANGES	19
CERTIFICATE OF SECRETARY	20

ARTICLE 1 - MISSION STATEMENT

Cooperative 4 the Community is an Oakland-based, Oakland-focused cooperative for grassroots activists. Time and money constraints prevent many who most need it from being involved in community building. We break down these barriers by providing worker-owner opportunities that make civic engagement accessible to everyone.

ARTICLE 2 - POINTS OF UNITY

- **Everyone Can Be an Organizer:** anyone with compassion and care for their community can make a difference; we provide training, support, and opportunities to achieve that.
- **Empowering Community:** our work focuses on directly benefiting and supporting community organizations.
- **Responsibility to City:** as residents of Oakland, we have a responsibility to foster positive growth and engage with our neighbors.
- **Cooperation Over Commodity:** we build relationships based on trust and solidarity, recognizing shared success over individual success. Prioritize healthy relationships over measuring goals.
- **Restorative Intention:** historical and structural conditions have denied access to forms of participation; we center marginalized and disenfranchised groups to support diverse communities.
- **Positive Impact:** we trust those affected by our work (both inside and outside the cooperative) to determine what is positive on their own terms; we consider negative impacts of positive intentions. We consider future impacts alongside immediate ones.
- **Valuing Collective Wisdom:** each of us knows a little; together we know a lot. Decision-making and responsibilities are transparent to anyone involved. We keep ego out of decision-making.
- **Always Curious:** cultivate individual learning from new ideas and challenges, and share learning experiences with others. We celebrate effort and learn from mistakes.
- **Embracing Conflict:** conflict is inevitable; we engage issues regardless of how they surface. Conflict resolution requires two-way communication and active listening.
- **Decentralizing Power:** power is not a scarcity; sharing decision-making empowers us all. We are clear about delegating specific responsibilities, rotating leadership, and make space for examining interpersonal power dynamics.
- **No Tolerance for Harassment and Discrimination**

ARTICLE 3 - MEMBERSHIP

1. **Classes of Members.** Cooperative 4 the Community has one class of Worker-members. The Cooperative has one additional class of Community Investors as specified in Section 3.7 of these Bylaws. No other classes of Members shall be created unless approved by then-existing classes of Members, according to the Articles of Incorporation and these Bylaws.
2. **Reference to “Member”**
 1. Any reference to “Member” or “Membership” in these Bylaws, without further specification of Member Class, shall mean Worker-members, or Worker-membership, as applicable.
 2. Any reference to “Community Investor” in these Bylaws shall mean a person who belongs to the class of Community Investors.
3. **Becoming a Member.** To become a Member of this Cooperative, a person must:
 1. Be a resident of California;
 2. Be a worker in the cooperative, which is a natural person who contributes labor or services to the cooperative;
 3. Pay a monthly Membership Fee; the amount of the Membership Fee will be determined by the Board of Directors;
 4. Work for the Cooperative for a period of time called the “Candidacy Period” as described in Section 3.4;
 5. Be approved by the existing Worker-members, by means of the process described in Section 3.4 and 3.5; and
 6. Receive a copy of the Cooperative's Disclosure Statement, Bylaws, and a receipt for payment of the initial Membership Fee.
4. **Candidacy Period.**
 1. Workers seeking Worker-membership in the cooperative must complete a candidacy period of at least three (3) months and 120 hours.
 2. An individual candidate's candidacy period must last no longer than six (6) months.
 3. A worker's candidacy period begins when the Board, or a person or committee appointed by the Board to manage candidacy, declares that their candidacy period begins and notifies that candidate that they are a candidate.
5. **Acceptance of Members.** The application review and approval process for a Prospective Member is as follows:
 1. The Board of Directors or an empowered hiring committee shall receive the membership application from a Prospective Member and shall submit it to the Worker-members for approval.

2. The Worker-members shall then decide by the decision-making process described in Section 7.1 whether to approve the application.
 3. If the application is not approved, the applicant's employment shall be immediately terminated, unless the Worker-members choose to specify a further Candidacy Period to be followed by a second decision of the Worker-members on whether to approve the application.
 4. Upon approval of the application, and meeting the qualifications listed in Section 3.3, the applicant shall immediately become a Member.
- 6. Transferability of Memberships.** Worker-memberships shall be non-assessable and may not be transferred, voluntarily or involuntarily, by operation of law or otherwise, except for a transfer to the Cooperative under the redemption provisions set forth in the articles of incorporation or in the Cooperative's bylaws.
- 7. Attributes of Community Investor Shares.**
1. The cooperative may issue shares of its capital stock to Community Investors. As defined in California Corporations Code § 12238(f), a "Community Investor" is a person who is not a Worker-member and who holds a share or other proprietary interest in the Cooperative.
 2. The cooperative is authorized to issue five hundred (500) community investor shares.
 3. The voting power of holders of community investor shares is limited to approval rights only over the following actions: a merger, sale of major assets outside the ordinary course of business, reorganization, or dissolution. Additionally, community investors shall have the right to approve amendments to the articles of incorporation when required by law, pursuant to Cal Corp Code § 12503.
 4. Community investor shares may only be transferred under the prior written consent of the Cooperative. Any attempted assignment or transfer of shares contrary to these provisions shall be void, and will not confer rights on the intended assignee or transferee.

ARTICLE 4 – TERMINATION OF WORKER-MEMBERSHIP

1. **Resignation of a Member.**
 1. Every Worker-member has the right to resign from the Cooperative.
 2. When a Worker-member resigns from the Cooperative his or her Membership will be terminated.
 3. To resign from the Cooperative, a Worker-member must provide the Secretary of the Cooperative with a written notice of resignation. The resignation shall become effective immediately without any action on the part of the Cooperative.
 4. If a Worker-member resigns, he or she is still responsible for any charges, dues, or other obligations that the Worker-member owes to the Cooperative. The Cooperative shall still have the right to enforce any such obligation or obtain damages for its breach.

2. **Death of Member.** A Membership shall immediately terminate upon the death of a Member.

3. **Expulsion of a Member.** No Worker-member may be expelled or suspended except according to procedures satisfying the requirements of this section:
 1. A Worker-member may, for any lawful reason, be expelled from the Cooperative by a two-thirds (2/3) vote pursuant to Section 5.1 of the Worker-members at a duly called meeting at which a quorum is present.
 2. The Worker-member must be given 15 days' prior notice of the expulsion, suspension, or termination.
 3. The Worker-member shall have an opportunity to be heard, orally or in writing, not less than five days before the effective date of expulsion, suspension, or termination, by a person or body authorized to decide that the proposed expulsion, termination, or suspension not take place.
 4. Any notice required under this section may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the Worker-member shown on the Cooperative's records.
 5. A Worker-member who is expelled or suspended shall be liable for any charges, dues, or other obligations incurred before the expulsion, suspension, or termination.
 6. The Cooperative may direct a Worker-member whose expulsion is being considered to refrain from conducting business as a Worker-member until the expulsion decision is made. The Cooperative may also direct a Worker-member whose expulsion is being considered to stay away from the Cooperative's places of business except as necessary to exercise their rights under law.

ARTICLE 5 – MEMBER MEETINGS

1. Voting.

1. Each Worker-member shall have one vote on each matter submitted for a vote.
2. Cumulative voting shall not be permitted for any purpose.
3. Proxy voting shall not be permitted for any purpose.
4. Unless otherwise specified, all votes shall be conducted using the process defined in Section 7.1.

2. Member Authority

1. Members shall elect the Board of Directors.
2. Members or Community Investors of a respective Member Class must approve changes to these Bylaws that would:
 - a. Materially and adversely affect the rights or obligations of that Class as to voting, dissolution, redemption, transfer, distributions, patronage distributions, patronage, property rights, or rights to repayment of contributed capital;
 - b. Increase or decrease the number of memberships authorized for that Class;
 - c. Increase the number of memberships authorized for another Class, if there was formerly a set limit to the number of memberships authorized for that Class;
 - d. Effect an exchange, reclassification or cancellation of all or part of that Class' memberships;
 - e. Authorize a new Class of memberships.

3. Annual Members Meeting.

1. The Annual Members Meeting shall be held on the first Sunday of February at 1:00pm at the Cooperative's main office, unless the Board determines a different date and time and complies with the meeting notice provisions of these bylaws.
2. If the meeting falls on a holiday it should be held at the same time/place the following business day.
3. At this meeting, the Members shall conduct Board elections and conduct any other proper business. The Treasurer will present the annual report at this meeting.
4. Requests by Members to include any issue in the Annual Members Meeting notice to be voted upon by the Membership must be presented to the Board in writing no later than January 1st, prior to the Annual Meeting.

4. Special Member Meetings.

1. Special meetings of the Members for any lawful purpose may be called by the Board, President, Secretary, or by at least 20% of the individual Members of either class. However, if there are more than five Worker-members, a special meeting may only be called by the greater of: three Worker-members; or 20% of the Worker-members. If there are five or fewer Worker-members, special meetings may be called by one Worker-member.

2. The procedure for calling a special Members meeting shall be as follows:
 - a. The person(s) requesting the special meeting shall submit a written request to the Cooperative addressed to the attention of the President or Secretary;
 - b. Within 15 days after receipt, the President or Secretary shall cause notice to be given to the Members entitled to vote that a meeting will be held at a time fixed by the Board not less than 15 nor more than 90 days after the receipt of the request.
3. Special meetings shall be held at the principal office of the Cooperative.

5. Notices Generally.

1. Notice of a Members' meeting or any report shall be given by electronic transmission, or by mail or other means of written communication, addressed to a Member or Community Investor at the address of such person appearing on the books of the Cooperative or given by the person to the Cooperative for purpose of notice. Notwithstanding the above, notice given to Worker-members less than 10 days before the date of the meeting must be delivered personally according to section 5.6.
2. Members Entitled to Notice. Any Member shall be entitled to notice of any meeting at which their class of membership shall cast votes, and to the annual Member meeting, so long as their Membership became official 30 days before the meeting date.
3. The notice shall state the following:
 - a. Meeting place, date, and time of the meeting;
 - b. If applicable, the log-in or call-in information for telephone/video/web conference;
 - c. In the case of a special meeting, the general nature of the business to be transacted, and that no other business may be transacted, or
 - d. In the case of the regular meeting, those matters which the Board intends to present for action by the Members. The notice of any meeting at which Officers are to be elected shall include the names of the nominees.
4. Notwithstanding the above, any of the following decisions, other than by unanimous approval by those entitled to vote, shall be valid only if the general nature of the proposal was stated in the notice of meeting or in any written waiver of notice:
 - a. Removal of Worker-members or Board members;
 - b. Election of an Officer to fill a vacancy;
 - c. Approval of a contract or other transaction between the Cooperative and one or more of its Directors, or between the Cooperative and any corporation, firm, or association in which one or more of its Directors has a material financial interest or is a Director;
 - d. Amendment of the articles of incorporation; and
 - e. Approval of a plan of distribution upon winding up of the Cooperative.

6. Notice of Worker-member meetings. Whenever the Worker-members are required or permitted to take any action at a meeting, and the meeting is a meeting of only Worker-members, the Cooperative shall provide personal notice not less than 48 hours before the meeting to all Worker-members who are entitled to vote on the record date for notice of the meeting. If delivery of personal service to all Worker-members is not possible, the Cooperative shall give written notice not less than 10 days nor more than 90 days before the date of the meeting.

7. Notice of other meetings. Whenever community investors are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each Member who, on the record date for notice of the meeting, is entitled to vote.

8. Meetings Held Without Proper Notice.

1. Members not present: The transactions of a meeting, whether or not validly called and noticed, are valid if a quorum is present and each of the absent Members who is entitled to vote, either before or after the meeting, signs either: a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
2. Members present: A Member's attendance at a meeting shall constitute a waiver of notice of and presence at the meeting, unless the Member objects at the beginning of the meeting. However, attendance at a meeting is not a waiver of any right to object to the consideration of matter required to be included in the notice but not included, if an objection is made at the meeting.

9. Use of Written Ballots at Meetings.

1. Written ballots will be used for the election of Officers and may be used for Directors, when applicable. Written ballots may also be distributed for other matters if the Board authorizes.
2. Ballots for Officer and Director elections must:
 - a. Be distributed at least 10 days before the annual meeting;
 - b. Include the names of all nominees; and
 - c. Include a space for write-in candidates.
3. Other written ballots must:
 - a. Describe the proposed action; and
 - b. Provide an opportunity to approve or disapprove of the proposed action.
4. All ballots shall specify:
 - a. The number of responses necessary to reach quorum; and
 - b. The deadline by which the ballot must be filled out and turned in, in order to be counted.

5. When ballots are distributed at a meeting, the number of Members voting shall be considered present for the purposes of determining quorum with respect to the specific actions in the ballot.

10. Quorum. A majority of Members of a class shall constitute a quorum at a meeting of Members of that class. When a quorum is present, proposals shall be adopted using the processes as described in Section 7.1, unless otherwise required in the Articles or Bylaws.

11. Loss of Quorum at a Meeting. If there is a quorum present at the beginning of a meeting and then some Members leave so that less than a quorum remains, the remaining Members may continue to conduct business, as long as any actions they take (other than adjournment) adhere to the number of votes of the Members required to constitute a quorum for that class.

12. Adjournment for Lack of Quorum. In the absence of quorum, a majority of present Members can vote to adjourn the meeting, and no other business may be transacted, except as provided in Section 5.8 above.

13. Adjourned Meetings.

1. If a meeting is adjourned to a new time/place, Members may conduct any business at the new meeting that could have been conducted at the original meeting.
2. If the new meeting is announced at the original meeting, no additional notice is required. However, if the new meeting is more than 45 days after the original meeting or if a new record date is fixed for the adjourned meeting, notice of the new meeting must be given to each Member entitled to vote at that meeting.

14. Action Without Meetings.

1. Any action which may be taken at any regular or special Members meeting may be taken without a meeting if the Cooperative distributes a written ballot to every Member entitled to vote on that proposal.
2. The written ballot shall set forth the proposal, provide the opportunity to specify approval or disapproval of the proposal, indicate the number of responses needed to meet quorum, the percentage of approvals necessary to pass the proposal; and provide a reasonable time within which to return the ballot.
3. Approval under this section shall be valid only when:
 - a. The Cooperative receives within the specified timeframe a number of written ballots that is at least equal to the quorum required for a meeting; and
 - b. The number of approvals is at least equal to the number of approvals required at a meeting.
4. The Secretary shall cause a vote to be taken by written ballot upon any action or recommendation proposed in writing by 20 percent of the Members.

ARTICLE 6 – BOARD OF DIRECTOR MEETINGS

1. Directors and Board Composition.

1. The Initial Board of Directors shall be comprised of three Directors and shall have a three year term.
2. There shall be no fewer than 3 and no more than 21 Directors of the Corporation, with the exact number of Directors to be fixed, within the limits specified, by the Board.
3. After the term of office of the Initial Board of Directors has expired, the terms of subsequent Boards shall be staggered.
4. At the first Annual Member Meeting in which there is a Board election, one-third of the Directors shall be elected to a one-year term, one-third shall be elected to a two-year term, and one-third to a three-year term.
5. At each Annual Member Meeting thereafter, there shall be an election held for at least one Director, who shall serve three year terms.
6. Notwithstanding the above, a person whose Membership is terminated shall immediately cease to be a Director.

2. Director Voting. Directors shall vote using the process described in Section 7.1.

3. Notice of Board Meetings.

1. Regular meetings of the Board will be held the first Sunday of every month at 1:00pm at the principal office of the Cooperative. If the day fixed for the regular meeting falls on a legal holiday, the meeting shall be held at the same time on the next day.
2. Special meetings of the Board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally, by telephone, including a voice messaging system, or by electronic transmission by the Cooperative. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board.

4. Waiver of Notice. Notice of a meeting need not be given to any Director who provides a waiver of notice or consent to holding the meeting or an approval of the minutes in writing, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that Director. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

5. Quorum.

1. A majority of Directors shall constitute a quorum for a Board meeting.
2. When a quorum is present, proposals shall be adopted using the modified consensus process as described in Section 7.1, unless otherwise required in the articles or bylaws.

6. **Loss of Quorum at Meeting.** If there is a quorum present at the beginning of a meeting and then some Directors leave so that less than a quorum remains, the remaining Directors may continue to conduct business as long as any actions they take (other than adjournment) reflect consensus of, or when voting is called for, at least three-fourths of the Directors required to constitute a quorum.
7. **Adjournment for Lack of Quorum.** In the absence of quorum, a majority of present Directors can vote to adjourn the meeting. No other business may be transacted, except as provided in Section 5.8 above.
8. **Adjourned Meetings.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.
9. **Action Without Meeting.** The Board of Directors may take action without a meeting if all Directors individually or collectively consent in writing to the action. The written consents shall be filed with the minutes of the Board's meetings. Action by written consent has the same force and effect as a unanimous vote of the Directors.

10. Resignation.

1. A Director may resign effective upon giving written notice to the President, the Secretary of the Cooperative, unless the notice specifies a later time for the effectiveness of such resignation.
2. The Board shall then appoint a person to fill the vacancy and serve until the next Annual Members Meeting.

11. Removal.

1. The Board may declare vacant the office of a Director whose eligibility for election as a Director has ceased, or who has been declared of unsound mind by a final order of court, or convicted of a felony.
2. Directors may be removed without cause by the Worker-members, if removal is approved by a vote of 75% or greater of all Worker-members at a duly called meeting at which a quorum is present.
3. Vacancies caused by removal may only be filled by approval of a majority of all Worker-members.
4. Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office.

12. Empowered Committees.

1. The Board may establish committees through the decision-making process in Section 7.1. Each committee shall consist of two or more Directors who serve at the pleasure of the Board.
2. An empowered committee shall have the same authority as the Board, except with respect to:
 - a. Approval of any action that by law requires approval by the majority of the Members;
 - b. Filling vacancies of the Board or any committee that has authority of the Board;
 - c. Fixing compensation of Directors for serving on the Board;
 - d. Amendment or repeal of the Bylaws or adoption of new Bylaws;
 - e. Amendment or repeal of any resolution that the Board has expressly deemed not amendable or repealable;
 - f. Establishment of committees of the Board or appointing Members to such committees;
 - g. Expenditure of corporate funds to support a nominee for Director (if there are more people nominated for Director than open slots available).

ARTICLE 7 – DECISION-MAKING PROCESS

1. Decision-Making Process for the Directors and the Worker-member class.

1. Matters will be discussed with the goal of reaching consensus.
2. If consensus cannot be reached, Worker-members will vote on whether the issue must be decided at the current meeting or can be tabled for future discussion. Each Worker-member is entitled to one vote.
3. If a majority of the quorum believe that an immediate decision is needed, voting will be held on proposals regarding the issue.
4. The proposals can then be carried by a two-thirds vote, except as otherwise provided in these bylaws.

2. **Decision-making process for the community investor class.** Each Community Investor will be entitled to one vote on any matter submitted for a vote. Unless otherwise specified in these Bylaws, a majority of votes cast are required to pass a matter submitted to a vote.

ARTICLE 8 - OFFICERS

1. Titles of Officers.

1. Officers of the Cooperative shall be:
 - a. A President,
 - b. A Secretary,
 - c. A Chief Financial Officer, and
2. Any other Officer with a title and duties determined by the Board. The President is the Chief Executive Officer of the Cooperative.
3. One person may hold any number of offices, except the President and Secretary shall not be the same person.

2. Duties of Officers.

1. Officers' duties include those duties:
 - a. Prescribed by law,
 - b. Granted by these Bylaws, and/or
 - c. Granted by resolutions of the Board.
2. The Secretary must ensure that the Cooperatives' records and reports are properly kept and filed.
3. The President shall take on the duties of the Secretary if the Secretary is unable or unwilling to do so.

3. Nomination and Election of Officers.

1. Any Worker-member can nominate any Worker-member, including themselves, for any office. Nominations shall take place at the Annual Member Meeting and at the preceding regular meeting.
2. Officers shall then be elected at the Annual Member Meeting by written ballot, to serve one-year terms. The candidate receiving the highest number of votes for an office shall be elected.

4. Resignation or Removal of Officers.

1. Officers can be removed by a vote of the Board.
2. Any Officer may resign at any time with written notice to the Cooperative.
3. Vacancies shall be filled at the next Board meeting.

ARTICLE 9 – FINANCIAL PROVISIONS

1. This cooperative is a capital account cooperative, as defined in Corporations Code § 12317.

2. **Fiscal Year.** The fiscal year of the Cooperative is January 1st through December 31st.

3. Definitions.

1. “Surplus” shall be defined as the excess of revenues over Expenses for a fiscal year attributable to Member labor.
2. “Profit” shall be defined as the excess of revenues over Expenses for a fiscal year attributable to non-Member labor.
3. “Loss” shall be defined as the excess of Expenses over revenues for a fiscal year.
4. Surplus, Profit, and Loss shall be determined on a tax basis. Surplus and Profit shall not include cash contributions by Members to capital.
5. “Expenses” shall include but is not limited to payments of any interest and principal on any debts of the Cooperative, and reasonable reserves as determined by the Board of Directors.
6. The “Collective Account” shall be Surplus, Profit, and reserves that, with the exception of the portion designated as the Community Investor account, are retained in the Cooperative and not distributed to Members.
7. “Patronage” shall be defined as hours worked by each Worker-member for the Cooperative.
8. “Patronage Dividends” shall have the definition contained in Internal Revenue Code Section 1388(a) (dividends paid to Members based on Patronage).
9. “Worker-member Account” shall be defined as each Worker-member’s capital account in the Cooperative, which is calculated as initial capital contribution plus written notices of allocation minus Distributions minus Losses plus/minus any other item that affects the balance in the Member’s capital account.
10. “Distribution” means the distribution of interest on capital contributed, but does not include Patronage Dividends.
11. “Community Investor Account” shall be defined as a portion of the Collective Account which represents the value of the claim of Community Investor shareholders.
12. “Deemed Liquidation Event” shall mean (a) a consolidation, merger or other similar transaction of or involving the Corporation in which the Worker-members of the Corporation immediately prior to such consolidation, merger or other similar transaction do not continue to hold, immediately after the consummation of such consolidation, merger or other similar transaction, a majority of the voting power of the equity interests of the surviving entity, or (b) a sale or other transfer of all or substantially all of the Corporation’s assets to a third party.
13. “Indivisible Reserves Account” shall mean an account derived from non-patronage-sourced income to be used as capital for the cooperative, that will not be distributed to Members, and that must, upon dissolution, be allocated to a

cooperative development organization identified in the cooperative's articles of incorporation or bylaws.

4. Allocations.

1. Any Profit shall be credited to the Collective Account, as determined by the Board.
2. Any Surplus shall be credited to the Collective Account as necessary to (1) bring the year's contribution to the Collective Account up to 25% of the year's combined Profit/Surplus, and (2) allocate community investor accruing dividends pursuant to Section 9.10. All other Surplus shall be paid as Patronage Dividends in direct proportion to Patronage during the fiscal year.
3. Any Loss shall be allocated 75% to Worker-member Accounts in direct proportion to Patronage during the fiscal year and 25% to the Collective Account, with the exception of Losses occurring and/or carried over from the Cooperative's first two fiscal years, which shall be allocated 100% to the Collective Account.
4. The percentages referred to in this section can be changed for a coming fiscal year by the Board.

5. Patronage Dividends.

1. Patronage Dividends shall be made 50% in cash and 50% to each individual Worker-member Account as a written notice of allocation, unless different proportions are approved by the Board within eight-and-a-half months of the fiscal year's close.
2. Patronage Dividends may be by qualified or non-qualified written notices of allocation or a combination of the two.

6. Worker-members' Covenant to Declare Income for Tax Purposes. Each Worker-member shall take into account on their income tax return any Patronage Dividends which are made in qualified written notices of allocation (as defined in 26 U.S.C. Section 1388) at their stated dollar amounts in the manner provided in 26 U.S.C. Section 1385(a) in the taxable year in which the Worker-member receives such written notices of allocation.

7. Distributions of Interest on Member Accounts. The Cooperative may, by a decision of the Board, pay interest to Members on the Members Accounts. The interest may be paid in cash or as an additional credit to the Member Accounts. The rate shall be determined by the Board, but may not, in one year, exceed 15 percent of each Member's contributed capital, which includes capital contributions, membership fees, and capital credits.

8. Periodic Redemption of Worker-member Accounts.

1. The Cooperative shall aim to pay out in cash to the Members all funds credited to their Member Accounts within three years of the date they were first credited.
2. As a general rule, written notices of allocation credited to Worker-member Accounts (including notices now converted to debt) will be paid out in the order

in which they are credited, with the oldest paid out first. However, the Board can decide to accelerate the repayment of debt owed to former Worker-members on a case-by-case basis.

3. If the Cooperative does not have sufficient funds to pay out all funds credited to Worker-member Accounts for a given fiscal year, then funds will be paid out in proportion to the balance in the Worker-member Accounts.

9. Payment Rights Upon Membership Termination.

1. When a Membership is terminated for any reason, including a Member's death, the amount in the Member Account will automatically be converted to debt owed to the former Member, or, if necessary, to the Member's estate, or to another assignee designated by the Member.
2. The Cooperative shall repay the debt within five years of the Membership termination.
3. The Cooperative, in settling a Member Account, shall have the right to set off any and all indebtedness of the former Member to the Cooperative.

10. Community Investor Dividends. From and after the issuance of any community investor share, dividends shall accrue on such share at a rate per annum at a percentage, as determined by the board of directors, of the Original Purchase Price ("Accruing Dividends"). Accruing Dividends shall accrue from day to day, whether declared or undeclared, and shall be cumulative (without compounding); provided, however, that, except as provided in Sections 9.11 or 9.12, Accruing Dividends shall be payable only if, as, and when declared by the board of directors of the Corporation, in its sole discretion. No Patronage Dividend (or any other dividend on worker-memberships) may be paid until all Accruing Dividends have been paid. "Original Purchase Price" means, with respect to any Community Investor Share, the original purchase price paid to the Corporation for such share by the initial purchaser, subject to appropriate adjustment in the event of any split, combination or other similar recapitalization with respect to the community investor shares.

11. Dissolution Distributions. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, each holder of community investor shares shall be entitled to receive, in respect thereof, a distribution equal to the Original Purchase Price, plus the amount of any dividends accrued but unpaid thereon, prior to any distributions to holders of worker-memberships on account thereof. If upon any such voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution shall be insufficient to pay each holder of community investor shares the full amount to which the holder shall be entitled under this Section 9.4, all of the holders of community investor shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable to such holders if all amounts payable were paid in full.

12. Community Investor Put Rights. “Holding Period” means five (5) years after issuance of Community Investor Shares. After the Holding Period, if any holder of community investor shares requests, by written notice to the Corporation, that the Corporation redeem some or all of such community investor shares (the “Put Shares”), then the Corporation shall promptly confirm its obligations by written notice to such holder (the “Put Notice”) and redeem such Put Shares, at a price per share equal to the Original Purchase Price, plus the amount of any dividends accrued but unpaid thereon; provided, however, that the Corporation may, in its sole discretion, elect to redeem such shares in annual or semi-annual installments over a period determined by the Corporation and specified in the Put Notice, not to exceed five (5) years, with the first such installment occurring on a date determined by the Corporation, which shall not be less than sixty (60) nor more than ninety (90) days after the date of the Request Notice, and subsequent installments occurring every six (6) months or twelve (12) months, as applicable, after the date of the first such installment.

13. Call Rights. At any time, the Corporation may, by written notice to any holder of community investor shares, elect to redeem some or all of such shares at a price per share equal to the Original Purchase Price, plus the amount of any dividends accrued but unpaid thereon.

14. Priority of Payments. Notwithstanding anything else to the contrary in this Article, payments by the Cooperative shall be made in the following order of priority:

1. First, to make payments of any necessary expenses related to the operation of the cooperative, including wages, and payments of any interest and principal on any debts of the Cooperative,
2. Second, to pay any Accruing Dividends on community investor shares;
3. Third, to pay Patronage Dividends to all eligible Worker-members,
4. Fourth, to pay Distributions to all eligible Worker-members, and
5. Fifth, to make periodic redemptions pursuant to Section 9.8.

15. Unclaimed Equity Interests. Any proprietary interest in the Cooperative held by a Member or Community Investor that would otherwise escheat to the State of California as unclaimed personal property shall instead become the property of the Cooperative if the Cooperative gives at least 60 days prior notice of the proposed transfer to the affected Member or Community Investor by (1) first-class or second-class mail to the last address of the Member or Community Investor shown on the Cooperative’s records, and (2) by publication in a newspaper of general circulation in the county in which the Cooperative has its principal office. No property or funds shall become the property of the Cooperative under this section if written notice objecting to the transfer is received by the Cooperative from the affected Member or Community Investor prior to the date of the proposed transfer.

ARTICLE 10 – CORPORATE RECORDS AND REPORTS

1. Records Required to Be Kept.

1. The Cooperative shall keep at its principal office:
 - a. The original or a copy of its Articles and Bylaws as amended to date;
 - b. Adequate and correct books and records of account;
 - c. Minutes of the proceedings of its Members, Board, and committees of the Board; and
 - d. A record of its Members, providing their names and addresses.
2. Minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing.

2. Inspection Rights.

1. The Cooperative's Bylaws and Articles shall be open to inspection by the Members and Community Investors at all reasonable times during office hours.
2. Any such inspection may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.
3. The accounting books and records and minutes of proceedings of the Members and the Board and committees of the Board shall be open to inspection upon the written demand on the Cooperative of any Member or Community Investor at any reasonable time, for a purpose reasonably related to such person's interests as a Member.
4. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Cooperative.

3. Annual Report.

1. The annual report shall be prepared no later than 120 days after the close of the Cooperative's fiscal year and shall be distributed to Members at or before their next meeting.
2. The annual report shall contain in appropriate detail:
 - a. A balance sheet as of the end of the fiscal year;
 - b. An income statement;
 - c. A cash flow statement of the fiscal year;
 - d. A statement of where the names and addresses of current Members are located; and
 - e. An annual statement of transactions and indemnifications to "interested persons" as defined by law.
3. For fiscal years in which the Cooperative has (at any given time) over 25 Members, the Cooperative shall notify each Member of his/her right to receive an annual financial report.

4. The annual report shall be accompanied by any pertinent report by independent accountants.
5. If there is no such report from an independent accountant, an authorized Officer of the Cooperative shall certify that the annual report was prepared from the books and records of the Cooperative, without audit.

ARTICLE 11 – INDEMNIFICATION

1. Indemnification. The Cooperative shall have the power to indemnify its Officers, Directors, Members, employees, and agents to the fullest extent permitted by law.

ARTICLE 12 – BYLAWS CHANGES

1. Bylaws Changes. In the circumstances defined in Section 3.2, these Bylaws can only be changed by a vote as Worker-members. All other Bylaws changes can be effected by a vote as Directors.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Cooperative 4 The Community and that these Bylaws, consisting of 20 pages, are the Bylaws of this cooperative as adopted by the Members on July 13, 2019 and that these Bylaws have not been amended or modified since that date.

Executed on July 13, 2019 at Oakland, California, by

A handwritten signature in black ink, appearing to read "Kyle Donnelly", is written over a horizontal line. The signature is cursive and stylized.

Kyle Donnelly, Secretary