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# CHICAGO MARKET

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A COMMUNITY

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CO  
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Bylaws.

Amended 2018.





## BYLAWS OF CHICAGO COOPERATIVE

### ARTICLE I

Chicago Cooperative d/b/a Chicago Market - A Community Co-op (sometimes referred to herein as "Chicago Market" or "the Co-op") is a cooperative formed under the laws of the State of Illinois, pursuant to 805 ILCS 310.

### ARTICLE II

#### Purpose

#### 2.1 Purpose

2.1.1 The purpose of the Co-op is to serve the needs of its Owners and other patrons by furnishing groceries and other consumer goods and services exclusively on a co-operative basis. Consistent with that focus, it may also engage in other activities and provide other goods or services as may be desired by its Owners and other patrons.

2.1.2 Cooperative philosophy and values are an essential part of our enterprise; therefore in achieving its purpose, the Co-op will adhere to the seven cooperative principles as adopted by the International Cooperative Alliance.

2.1.2.1 Voluntary and Open Membership

2.1.2.2 Democratic Member Control, One Member = One Vote

2.1.2.3 Member Economic Participation

2.1.2.4 Autonomy and Independence

2.1.2.5 Education, Training, and Information

2.1.2.6 Co-operation among Co-operatives

2.1.2.7 Concern for Community

2.1.3 The Co-op shall not discriminate on the basis of gender or gender identity, race, religion, national origin or ethnicity, citizenship, age, sexual orientation, disability, marital or familial status or any other basis protected against discrimination under applicable law.

## ARTICLE III

### Owners

3.1 The Co-op shall have one class of Owners. "Owners" in these Bylaws is equivalent to and used in place of the term "shareholders" as used in 805 ILCS 310.

3.2 Ownership in the Co-op shall be voluntary and open to any person, household, business, cooperative or non-profit organization that wishes to support the Co-op's activities, intends to use its services, and will accept the responsibilities of Ownership. For each household, business, cooperative or non-profit Owner, an individual person must be selected as the Owner of Record upon the purchase of shares or the commencement of a payment plan. The Owner of Record can be changed at any time.

3.3 To evidence capital funds provided by Owners, the Co-op shall issue shares. Shares may be issued only to persons, households, businesses, cooperatives or non-profit organizations eligible for, and admitted to ownership in, the Co-op. Shares shall be issued only at their par value upon full payment in cash or cash equivalent or by entering into and complying with a payment plan approved by the Co-op. Shares shall be entitled to no dividend, but may be entitled to a patronage refund pursuant to Article X. The minimum share purchase requirement may be increased generally, provided that such increase applies equally to newly-admitted Owners.

3.4 Submitting a completed Ownership application and a payment towards that Ownership of not less than \$25 nor more than the maximum amount allowed by law at their par value is required in order to become an Owner. Each Owner, upon either (1) completion of the purchase of a minimum of two-and-one-half (2.5) shares or (2) entering into and complying with a payment plan approved by the Co-op, shall thereafter be considered fully vested.

3.5 Ownership may be terminated voluntarily by an Owner at any time upon written notice to the Co-op.

3.6 Ownership may also be terminated involuntarily for cause by the Board of Directors, provided the accused Owner is first accorded an adequate opportunity to respond to the charges in person or in writing. "For cause" termination must be based upon seriously improper conduct which must include at least one of the following circumstances:

3.6.1 A willful failure to deal fairly with the Co-op in connection with a matter in which the Owner has a material conflict of interest.

3.6.2 A violation of criminal law at or in connection with, activities of the Co-op, unless the Owner had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his conduct was unlawful.

3.6.3 A transaction with the Co-op from which the Owner derived an improper personal benefit.

3.6.4 Willful misconduct or disruptive behavior on a second occasion after clear written warning that such conduct or behavior could result in loss of Ownership status.

3.7 Upon termination of Ownership, all rights and interests in the Co-op shall cease except for rights to redemption of the Owner's capital in accordance with these Bylaws.

3.8 Upon request following termination of ownership, shares shall be redeemed by the Co-op upon termination of Ownership, within ninety (90) days of demand, subject to the Board of Directors determining when money is available for refunds and how much may safely be refunded each fiscal year. Shares shall be redeemable at the lesser of their carrying value on the books of the Co-op or their net book value, less a reasonable processing fee, if any, as determined by the Board. Redemption proceeds shall be subject to offset by amounts due and payable to the Co-op by the Owner. No redemption shall be made when such payment would impair the ability of the Co-op to meet its other obligations as they become due. Reapplications for ownership after full or partial redemption shall be subject to full repayment of redemption proceeds.

3.9 Ownership rights and interests, including any shares held, may not be sold, assigned or otherwise transferred in any way to another person or entity unless the Owner shall first give the Co-op an opportunity to purchase the same, after reasonable notice of at least ninety (90) days, at the amount paid for said shares to said Co-op. All shares purchased by the Co-op under the provisions of this section shall be held only for sale to new shareholders.

3.9.1 In the event that the Co-op does not elect to purchase an Owner's shares pursuant to Section 3.9, and said Owner proceeds to sell, assign or transfer his or her shares to another person, said Owner shall provide written notice to the Co-op of the sale, assignment or transfer within fourteen (14) days, including the name, address and email address of the person acquiring said shares.

3.9.2 Every assignment or transfer of stock shall be recorded in the books of the association, and each Owner shall be liable jointly with the association as well as severally, for the debts of the association only to the extent of the amount that may be unpaid upon the share or shares held by him. No assignor of a share or shares shall be released from any such indebtedness by reason of the assignment of his share or shares, but shall remain liable jointly with the assignee and the association, or severally until the stock is fully paid up.

3.10 The Board of Directors may establish other categories of patrons (elderly or low-income persons, for example) that may, from time to time, be extended some or all certain Owner benefits as determined by the Board.

## ARTICLE IV

### Meeting of the Owners

4.1 Meetings of the Owners shall be held in Chicago, Cook County, Illinois. The specific time and location of these meetings shall be set by the Board of Directors and posted in the principal office.

4.2 Written notice of the time, place, and purpose of a meeting of Owners shall be sent to each Owner either separately or in a Co-op publication as determined by the Board of Directors. The notice must be mailed or published not less than fifteen (15) nor more than forty-five (45) days before the date of the meeting. Electronic mailing to individual members will be the preferred method for these notices, with USPS mailing being utilized for co-op members without a valid email address on record. Unless otherwise determined by the Board, only persons who are Owners at the close of business on the day

immediately preceding the date of distribution of notices shall be entitled to notice of any meeting of Owners and to vote at such meeting.

4.3 An annual meeting of Owners shall be held within sixty (60) days after the close of each fiscal year to receive reports on the operations and finances of the Co-op, to elect directors, and to conduct such other business as may properly come before the meeting.

4.4 Special meetings of the Owners may be called by the Board of Directors or by the President, or upon demand of the Owners as represented by a petition signed by fifteen (15) percent of the current Owners, such petition stating the business to be brought before the meeting. In the instance of an Owner petition, the meeting must be scheduled no more than forty-five (45) days after receipt of the petition. Any business conducted at a special meeting other than that specified in the notice of the meeting shall be of an advisory nature only.

4.5 The President or someone appointed by the Board of Directors shall chair all Owners' meetings. Minutes shall be taken by the Secretary or someone appointed by the President. The order of business shall be set by the Board.

4.6 Except as otherwise provided for herein, the presence in person or by mail ballot pursuant to these Bylaws at the opening of the meeting of fifty (50) Owners, or ten (10) percent of all Owners if the Co-op has fewer than five hundred (500) Owners, shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of Owners.

4.7 Unless otherwise required by these Bylaws, each Owner shall have one and only one vote on each matter submitted to a vote of Owners irrespective of the number of shares held. Unless otherwise required by law or by these Bylaws, issues shall be decided by a simple majority of Owner votes cast except where one or more choices are to be made from several alternatives, in which case the alternative(s) receiving the most votes shall be considered approved. Meetings of Owners shall be conducted generally in accordance with reasonable and accepted rules of parliamentary procedure. Any business conducted at a meeting other than that specified in the notice of the meeting shall be of an advisory nature only. The Board shall institute policies and procedures to reasonably assure the integrity of the voting process.

4.8 Owners may, as authorized by the Board, vote by electronic or USPS mail ballots in conjunction with a meeting of Owners. Ballots, together with the exact text of an issue for decision shall be included in the notice of the meeting to which they relate. USPS mailed ballots shall be submitted in a sealed plain envelope inside another envelope bearing the Owner's name and any other required identifying information and shall be submitted in conformity with instructions contained in the notice. Electronic ballots shall be submitted in conformity with instructions contained in the notice. Casting of a ballot by electronic or USPS mail shall be equivalent to presence in person at a meeting, and ballots shall be counted together with votes cast at the meeting.

4.9 Owners who are unable to attend a meeting may vote by written proxy executed in favor of another Owner. A proxy shall be effective only with respect to one particular meeting of Owners, and no Owner may hold more than one such proxy at any one time.

4.10 Notices of a meeting of Owners shall include any proper issue submitted by petition of at least seven percent of all Owners. Petitions must be received by the Board of Directors not less than sixty (60) days before the date of the meeting at which the petitions are to be presented to a vote of Owners.

## ARTICLE V

### Board of Directors

5.1 General Powers and Duties. Except as to matters reserved to Owners by law or by these Bylaws the business and affairs of the Co-op shall be managed under the direction and supervision of the Board of Directors. Such powers shall reside exclusively in the Board as a deliberative body; they may reside in individual directors only to the extent explicitly so delegated by the Board. The duties of the Board shall include, but not be limited to, overseeing the operations and finances of the Co-op, establishing policies to guide operational decisions, hiring, monitoring, evaluating, compensating and firing the general manager, securing good conditions of employment and reasonable employee benefits for all Co-op employees, and assuring that the purpose and mission of the Co-op are properly carried out.

5.1.1 It is the intent of the Co-op that the Board of Directors strive to reach consensus on matters regarding the business and affairs of the Co-op and that the Board of Directors conduct itself in a manner to foster open debate and consensus-building. In those situations in which consensus is not able to be reached, the act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law, the Articles of Incorporation of the Co-op or these Bylaws.

5.1.2 The Board of Directors shall have the power to interpret these Bylaws, apply them to particular circumstances, and adopt policies in furtherance of them, provided that all such actions are reasonable and consistent with these Bylaws.

5.1.3 Directors shall be responsible at all times for discharging their duties in good faith, in a manner that they reasonably believe to be in the best interests of the Co-op and with the care that an ordinarily prudent person in a like position would use under similar circumstances.

5.1.4 Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board and shall recuse themselves from any deliberation or voting on such matter, except that recusal from deliberation (but not voting) may be waived by a majority vote of the Directors present and voting on such matter, not including the Director affected by the actual or potential conflict of interest.

5.2 Number, Election and Term of Office. The number of Directors of the Co-op shall be fifteen (15). Except as respects the Initial Board and except as otherwise provided for herein with respect to vacancies, Directors shall be elected annually by Owners to hold office for three (3) years, on staggered terms providing three (3) classes of Directors, with one-third the total number of Directors in each class.

5.2.1 All Directors shall be Owners in good standing of the Co-op who are at least eighteen (18) years of age. If an Owner is part of a household, business, cooperative or non-profit, they must be designated as the Owner of Record in order to be a Director. Employees of the Co-op who meet the qualifications are eligible for election as long as no more than three (3) employees serve on the Board of Directors at any given time, except that the General Manager of the Co-op may not serve on the Board. Directors need not be residents of the State of Illinois.

5.2.2 Directors may be nominated by the Board, by a nominating committee designated by the Board, or by petitions signed by at least twenty-five (25) Owners and submitted to the Co-op within a reasonable time, as determined by the Board, before the date of the annual election. The Board may establish procedures for voting by ballot, electronic mail, a web site, or other electronic means.

5.2.3 Initial Board. At the time of the adoption of these Bylaws, an Initial Board of fifteen directors had been duly elected by the Owners. In order to effectuate rolling Director terms and to provide for continuity in the initial Board, the initial board term of five (5) members of the Initial Board shall expire on June 30, 2016, when the Owners shall elect five (5) Directors to terms to expire on the day before the first Board Meeting after the 2019 election of directors. The initial board term of five (5) more members of the Initial Board shall expire on June 30, 2017, when the Owners shall elect five (5) Directors to terms to expire on on the day before the first Board Meeting after the 2020 election of directors. The initial board term of the five (5) remaining members of the Initial Board shall expire on June 30, 2018, when the Owners shall elect five Directors to terms to expire on on the day before the first Board Meeting after the 2021 election of directors. The members of the Initial Board will determine which directors' terms will expire on June 30, 2016, which will expire on June 30, 2017 and which will expire on June 30, 2018.

5.3 Resignations. Any Director may resign at any time by giving written notice to the Board of Directors or the President or Secretary of the Board. Such resignation shall take effect when the notice is delivered unless the notice specifies a future date; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.4 The term of a Director may be terminated prior to its expiration in any of the following ways:

5.4.1 Voluntarily by a Director upon written notice to the Board;

5.4.2 Automatically upon termination of a Director's Ownership in the cooperative;

5.4.3 For cause by majority vote of the Board, provided the Director is accorded written notice of the charges and an opportunity to respond in person or in writing prior to a vote of the Board to terminate the term of said Director;

5.4.4 By a two-thirds vote of the Directors if a Director has failed to attend three (3) meetings of the Board in any 12-month period;

5.4.5 By recall by a majority vote of the Owners of the Co-op casting ballots. The quorum for a vote to recall a Director shall be twenty percent of the current Owners.

5.4.5.1 A recall vote shall be held at a Special Meeting called in accordance with Section 4.4. The petition required under Section 4.4 shall state that the purpose of the Special Meeting is to vote to recall one or more Directors and shall state the basis for seeking recall. Notwithstanding the foregoing, voting on whether to recall a Director shall use the same process for voting for Directors pursuant to these Bylaws.

5.5 Vacancies. In the event of a vacancy occurring in the Board of Directors due to resignation or termination pursuant to section 5.3 or 5.4, the Board of Directors may appoint someone to serve as Director until the next regularly scheduled annual Owners meeting, unless such regularly scheduled

annual Owners meeting is scheduled to occur within six (6) months of the vacancy in which case the Board of Directors may appoint someone to serve as Director until the regularly scheduled annual Owners meeting that follows the next regularly scheduled annual Owners meeting. Such appointment shall be by majority vote of the remaining Directors present and voting at the annual meeting, any regular meeting or at a special meeting of the Board of Directors called for that purpose. At the next regularly scheduled annual Owners' meeting, a Director shall be elected to serve the remainder of the term of the Director who resigned or was terminated, if such term has not expired. Otherwise, a Director shall be elected to serve a full three (3) year term.

5.6 Annual Meetings. The Annual Meeting of the Board of Directors shall be held within ninety (90) days after the end of the fiscal year. At the Annual Meeting, Officers will be elected, an annual report will be distributed, and the President will provide a state of the Co-op presentation.

5.7 Regular Meetings. The Board of Directors shall hold regular meetings at such place and at such times as may be designated by the President, without other notice than such designation. The Board of Directors shall meet no less frequently than once every two (2) months at a time and place determined by the Board and posted in the principal office.

5.8 Special Meetings. Special meetings of the Board of Directors may be held at any time on the call of the President or at the request in writing of any three (3) Directors. Special meetings of the Board of Directors may be held at such place, either within or without the State of Illinois, as shall be specified or fixed in the call for such meeting or notice thereof.

5.9 Notice of Meetings. Notice of each meeting shall be delivered by or at the direction of the Secretary to each Director at least ten (10) days before the day on which the meeting is to be held. Notice may be waived in writing by a Director, either before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.10 Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

5.11 Participation at Meetings by Conference Telephone. Directors may participate in and act at any meeting of the Board of Directors through the use of an audio or video conference or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. Directors may not vote by absentee ballot or through a proxy. Notwithstanding the foregoing, a Director may participate by conference in no more than three board meetings in any fiscal year, without the prior approval of the President.

5.12 Decisions Via Electronic Collaboration Tool. Except as otherwise set forth herein, the Board may use an electronic collaboration tool (such as Basecamp) to vote on matters, in accordance with such policies as the Board may from time to time adopt. The Secretary shall record the results of the vote in the same manner as votes taken at Board meetings are recorded. Notwithstanding the foregoing, the following

matters shall not be eligible for voting via electronic collaboration tool:

5.12.1 Approval of the Annual Budget

5.12.2 Termination of a Director

5.12.3 Hiring of a General Manager

5.13 Informal Action. Any action required to or which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors.

5.14 Minutes of the meetings of the Board shall be made available to all Owners, except with respect to minutes of any portion of a meeting closed for discussion as to matters of a confidential or sensitive nature, as determined by the Board.

5.15 Reimbursement. Directors may, but shall not be required to be, reimbursed for reasonable expenses incurred in connection with the performance of authorized business of the Co-op.

## ARTICLE VI

### Officers

6.1 Designation, Election and Term of Office. The officers of the Co-op shall consist of a President of the Board, elected from among the Directors of the Co-op, a Vice President, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may authorize. The officers shall be elected by the Board of Directors at its annual meeting, to hold office for one (1) year and until their successors have been duly elected and qualified, or until their death, resignation or removal. The office of the secretary and the treasurer can be combined, and when so combined the person holding the offices shall be the secretary-treasurer.

6.2 The President of the Board. The President of the Board, when present, shall preside at all meetings of the Board of Directors. The President shall have oversight over the general operations of the Board and its officers. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall also perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

6.3 The Vice President of the Board. The Vice President of the Board shall assist the President, shall have all the powers and perform all the duties of the President in his or her absence or incapacity and shall perform such other duties as the Board may assign.

6.4 The Secretary. The Secretary shall act as Secretary of the Board of Directors, shall give, or cause to be given, notice of all meetings of the Board of Directors, unless notice thereof be waived, shall supervise the custody of all records and reports of the Co-op and shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors. The Secretary shall also perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

6.5 The Treasurer. The Treasurer shall determine that proper accounting procedures are followed, shall report to the Board at each regular Board meeting on the income and expenditures and financial condition of the Co-op, and shall present an annual budget and any other recommendations on behalf of the Finance Committee. The Treasurer shall also perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

6.6 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Co-op. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.7 Removal. Any of the officers of the Co-op may be removed by the Board of Directors, by the vote of a majority of the whole Board of Directors.

6.8 Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board of Directors at an annual or regular meeting or at a special meeting called for such purpose.

## Article VII

### Committees

7.1 Committees. In addition to the standing committee established herein, the Board of Directors, by resolution adopted by a majority of the Directors in office, may create one or more committees and appoint Directors and other such persons as the Board of Directors designates to serve on the committee or committees. Each committee shall have one or more Directors and all committee members shall serve at the pleasure of the Board of Directors. The Board may also create committees consisting solely of Directors, including but not limited to an Executive Committee. To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors in the management of the Co-op; provided, however, that a committee may not:

7.1.1 Adopt a plan for the distribution of the assets of the Co-op, or for its dissolution;

7.1.2 Approve or recommend to members any act required by law to be approved by members;

7.1.3 Fill vacancies on the Board of Directors or on any committees designated by the Board of Directors;

7.1.4 Elect, appoint or remove any officer or Director or member of any committee;

7.1.5 Adopt a plan of merger or adopt a plan of consolidation with another cooperative;

7.1.6 Authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Co-op; or

7.1.7 Amend, alter, repeal or take any action inconsistent with any resolution or action of the Board of Directors when the resolution or action of the Board of Directors provides by its terms that it shall not be amended, altered or repealed by action of a committee.

7.2 Quorum. Unless the appointment by the Board of Directors requires a greater number, a majority of any committee shall constitute a quorum for committee action at any meeting of the committee, and the act of a majority of committee members present and voting at a meeting at which a quorum is present shall be the act of the committee.

7.3 Participation at Meetings by Conference Telephone. Committee members may participate in and act at any committee meeting through the use of an audio or video conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. Committee members may not vote by absentee ballot or through a proxy.

7.3.1 Committees may utilize Basecamp or other electronic collaboration tools in the same manner as prescribed for use by Directors as set forth in Article 5.12 and in accordance with such policies as the Board may from time to time adopt.

7.4 Meetings of Committees. Subject to action by the Board of Directors, each committee by majority vote of its members shall determine the time and place of meetings and the notice required for the meetings.

7.5 Informal Action. Any action required to or which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the committee members.

7.6 Finance Committee. There shall be a standing Finance Committee comprised of the General Manager, Treasurer and other Directors. The Committee shall meet at least quarterly. The Committee shall evaluate the financial structure of the Co-op and review the Co-op's budget. The Committee shall also advise the Board of Directors on policies to improve the budget process, control expenditures, finance the Co-op's affairs, project long-range expense trends, and recommend the fiscal rules and regulations governing the Co-op's financial operations. With the assistance of the General Manager and other staff, the Committee shall submit the Co-op's annual budget to the Board of Directors one month before the end of the current fiscal year. The Committee shall perform such other functions as the Board of Directors may direct.

7.7 Audit Committee. There shall be a standing Audit Committee comprised of at least three (3) Directors and the Treasurer, who shall be an ex officio member of the Committee without voting authority. The Audit Committee shall (i) recommend to the Board the retention and termination of, and all compensation furnished to, the Co-op's independent auditors, (ii) review and discuss the Co-op's financial statements (and issues encountered in the preparation of financial statements and related materials) with the independent auditors and staff, (iii) review on a continuing basis the adequacy of internal controls, (iv) review and make recommendations to the Board with respect to any proposals for the performance of nonaudit services by the audit firm and (v) perform such other functions as the Board of Directors may direct.

7.8 Personnel Committee. There shall be a standing Personnel Committee which shall be comprised of at least three (3) Directors, including the Vice President who shall serve as Chair of the Committee. The Committee shall meet at least three (3) times per year. The Committee annually shall review personnel policies and recommend changes to the Board of Directors. The Committee shall also serve as review panel for employee grievances appealed from the General Manager; provide an annual evaluation

of and compensation recommendation for the General Manager and affirm annual objectives for the General Manager.

7.9 Other Bodies. The Board of Directors may create and appoint persons to a commission, advisory body, or other such body which may or may not have Directors as members. Any such commission, advisory body or other body may not act on behalf of the Co-op or bind the Co-op to any action but may make recommendations to the Board of Directors or to the officers of the Co-op.

## Article VIII

### Finances

8.1 The fiscal year of the Co-op shall begin on the first day of July of each year and end on the last day of June of the succeeding year. The Board may change the fiscal year, based upon a finding that such a change is in the best interests of the Co-op.

8.2 The Board of Directors shall provide oversight related to the preparation and monitoring of an annual budget. A consolidated version of the budget as approved by the Board shall be published and distributed annually to the Owners.

## ARTICLE IX

### General Manager

9.1 Retention and Contract. By vote of a majority of the Directors in office, after recommendation by the Personnel/Nominating Committee, the Co-op shall retain a General Manager, who shall serve as the chief staff member for the Co-op. The General Manager shall be retained through a contract, signed by the President, on such terms and for such period as a majority of the Directors agree.

9.2 Description of Position. The General Manager shall work closely with the President regarding all matters within the responsibility of the General Manager, except as may be provided otherwise by the General Manager's contract. The General Manager shall be the "Manager" of the Co-op as that term is used in the Co-operative Act, 804 ILCS 310. The principal responsibilities of the General Manager shall include:

9.2.1 Management — Be responsible for the day-to-day management of the Co-op. Be responsible for receipt and expenditures of all funds, consistent with the Personnel Policies, the General Manager's contract, and the Co-op's budgeting process. Supervise all Co-op staff. Conduct annual reviews of all staff members and determine staff salaries. Hire and fire all Co-op staff, consistent with the Personnel Policies, the General Manager's contract, and the Co-op's budgeting process.

9.2.2 Relationship with Board of Directors — Attend all Board meetings and provide reports on the Co-op's activities, staff management, financial status, and policy issues. Work with Board committees and Board members on special and ongoing projects and program development. Be a member of Board committees as directed by the Board. May invite members of the Co-op staff to attend Board meetings, with consent of Board President, and to participate in discussions and make reports when asked.

9.2.3 Such duties as are set forth in the General Manager's contract and/or job description.

## ARTICLE X

### Patronage Refunds

10.1 To the extent permitted by and consistent with applicable law, so much of the profits or earnings of such association, as may be determined by the Board of Directors to be in the best interests of the Co-op shall be distributed to each Owner in good standing based upon the percentage of purchases made by said Owner, and in the proportions and at the times therein prescribed, which shall be as often as once in twelve months, provided that any distribution to an Owner who has failed to make full payment of the amounts owed for the Owner's shares shall first be credited against the amounts still owed, rather than distributed to the Owner.

## ARTICLE XI

### Other Provisions

11.1 Principal Office. The Co-op shall maintain its principal office in the State of Illinois.

11.2 Records. The Co-op shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any authority of the Board of Directors. All books and records of the Co-op may be inspected by any Director or any Director's agent or attorney, for any proper purpose at any reasonable time.

11.3 Depositories. All funds of the Co-op not otherwise employed shall be deposited to the credit of the Co-op in such banks, trust companies or other depositories as the Board of Directors may designate.

11.3.1 Checks, Drafts, Notes, Etc. All checks, drafts or other order for the payment of money and all notes or other evidences of indebtedness issued in the name of the Co-op shall be signed by such officer or officers, or agent or agents, of the Co-op and in such manner as shall from time to time be determined by resolution of the Board of Directors.

11.4 Settlement of disputes. In any dispute between the Co-op and any of its Owners or former Owners which cannot be resolved through informal negotiation, it shall be the policy of the Co-op to prefer the use of mediation whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. Neither party with a dispute against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolved in good faith.

11.5 In the event that any provision of these Bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Bylaws.

## ARTICLE XII

### Amendments

12.1 Method of Amendment. These Bylaws may be amended or repealed or new or other Bylaws adopted only by majority vote of the Owners, provided that the proposed amendments are stated or fully described in the notice of the meeting at which the amendments are to be adopted, using the voting ballot process pursuant to these Bylaws.

As adopted by vote of Owners on October 28, 2015.

Amended by vote of Owners on August 12, 2018.

