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BY-LAWS OF THE JEROME CO-OPERATIVE ENTERPRISES

ARTICLE I

Section I. The name of this co-operative is Jerome Co-operative Enterprises. Its principal office shall be located at Denson, Counties of Drew and Chicot, State of Arkansas.

ARTICLE II

Section 1. This co-operative shall have authority to engage in the manufacture, production, processing, distribution, marketing, storing, handling, sale or trade of goods and commodities, at wholesale and retail; to furnish personal, business, educational, recreational, and all other types of services; to construct or acquire and operate establishments and facilities for supplying any kind of commodities to the general public, both at wholesale and retail; to construct or acquire establishments and facilities for furnishing any kind of personal, business, educational, recreational or other types of services to the general public; and to engage in any activity in connection with any one or more of the foregoing.

ARTICLE III

Capital and Membership

Section 1. Membership Qualifications. All residents of the Jerome Relocation Center who agree to abide by the Articles of Incorporation and By-laws and the rules and regulations of the co-operative, shall be eligible for membership in the co-operative.

Section 2. Membership Certificates. The members shall consist of persons who have paid in full for a membership interest in the co-operative. The cost of each membership shall be \$5.00. A numbered certificate of membership in the following form shall be issued to each member:

Certificate of Membership

Jerome Co-operative Enterprises

Incorporated under the District of Columbia Co-operative
Association Act.

This certifies that _____ is a member of the Jerome Co-operative Enterprises, This certificate and the membership evidenced hereby are not transferable except as follows:

The member shall offer to sell this membership to the co-operative, and the directors shall have the power to purchase the membership by paying him its par value. If within 60 days of the original offer the co-operative fails to purchase the membership, the member may dispose of it elsewhere, subject to the approval of the transferee by a majority vote of the directors.

Any would-be transferee not approved by the directors may appeal to the Congress of Delegates at the first regular meeting or special meeting thereafter, and the action of the meeting shall be final. If such transfer is not approved, the directors must exercise their power to purchase if and when such purchase can be made without jeopardizing the solvency of the co-operative.

Each member of the co-operative if otherwise eligible, has one and only one vote, and no member may vote by proxy.

This certificate and the membership evidenced hereby are subject to all the terms, conditions and limitations of the Articles of Incorporation and By-laws of the co-operative and all amendments thereto.

IN WITNESS WHEREOF The co-operative has caused this certificate to be signed by its President and Secretary and its corporate seal to be hereunto affixed this _____ day of _____ 194__.

(Seal)

President

Secretary

Section 3. Limitations of Membership. No member shall hold directly or indirectly more than one membership in the co-operative.

Section 4. Membership Roll. A list of the members with their addresses and other pertinent information shall be kept by the Secretary.

Section 5. Inspection Rights. A copy of these by-laws and the books of account, stock book and transfer ledger, records of minutes, and any other records of the co-operative shall be available for inspection daily at reasonable hours by any member of the co-operative who has been a member for at least 12 weeks prior to his demand. Such demand must be in writing.

Section 6. A. Transfer or withdrawal of Membership. If a member desires to withdraw from the co-operative, the directors shall have the power to purchase such membership by paying him the par value thereof. The directors shall then reissue or cancel the same. A vote of the majority of the delegates voting at a regular or special meeting of the Congress of Delegates may order the directors to exercise their power to purchase.

If within 60 days of the original offer the co-operative fails to purchase the membership, the member may dispose of it elsewhere, subject to the approval of the transfer by a majority vote of the directors. Any would-be transferee not approved by the directors may appeal to the Congress of Delegates at its first

regular or special meeting thereafter, and the action of the meeting shall be final. If such transferee is not approved, the directors must exercise their power to purchase if and when such purchase can be made without jeopardizing the solvency of the co-operative.

Section 6. B. Decease of Member. Should the holder of any certificate die, his membership shall be terminated. The certificate shall be redeemed by the co-operative at its par value, not to exceed the face of the certificate, plus the accumulated savings. Proceeds shall be paid first to the widow or husband, if living, if not, to the living children in equal shares; then to the father and/or mother in equal shares, then to collateral heirs, in equal shares per stirpes. If none of the eligibles above mentioned can claim, then the proceeds shall be a part of the capital assets of the co-operative.

Section 7. Expulsion and Recall. A member may be expelled by a vote of a majority of the delegates of the Congress of Delegates voting at a regular or special meeting called for that purpose. The member against whom the charges are to be preferred shall be informed thereof in writing at least ten days in advance of the meeting and shall have an opportunity to be heard in person or by counsel at said meeting. On decision of the Congress of Delegates to expel a member, the directors shall purchase his holdings at par value, if and when there are sufficient reserve funds.

If any member fails to patronize the co-operative for a period of 12 months, the directors may use the reserve funds to recall all his holdings and thereupon he shall cease to be a member of the co-operative. When so recalled, the certificate of membership shall be either reissued or canceled.

Section 8. Subscribers. A subscriber to membership who has paid 50 percent of the cost of membership shall be entitled to attend meetings and vote in the same manner as a member, but this right shall terminate if the membership is not paid in full within 3 months from the date of the subscription. No such subscriber shall be entitled to hold an office in the co-operative or act as delegate.

Section 9. Liability. Members shall not be jointly or severally liable for any debts of the co-operative, nor shall a subscriber be so liable except to the extent of the unpaid amount on the membership certificate subscribed by him. No subscriber shall be released from such liability by reason of any assignment of his interest in the membership certificate; it shall remain jointly and severally liable with the assignee until the certificate is fully paid up.

Section 10. Borrowing Money; Revolving Fund Certificate. The co-operative is authorized to borrow money, with or without security, at not to exceed six percent per annum, and, to evidence the obligation to repay the same, to issue bonds,

notes or certificates of indebtedness. Such obligations may be payable to bearer or may be registered and transferable only on the books of the co-operative.

The co-operative is authorized to issue and sell to members and others revolving fund certificates for the purpose of raising capital for furthering its business. Such certificates may contain such terms and conditions not inconsistent herewith as may be prescribed by the board of directors. Such revolving fund certificates shall bear such rates of interest not to exceed six percent per annum as the board of directors in its discretion may from time to time prescribe. Certificates may be retired or transferred only upon delivery to the co-operative properly endorsed. A record of all holders of revolving fund certificates shall be kept and maintained by the co-operative and such certificates shall be transferred only upon the books of the co-operative. The board of directors shall have power from time to time and at any time to pay off or retire, fully or on a pro rata basis, or secure a release or satisfaction of any revolving fund certificate or to compromise or settle any indebtedness between any holder thereof and the co-operative.

The co-operative is authorized to defer the payment of patronage refunds or any portion thereof for a maximum period of one year, upon the issuance to each patron of a revolving fund certificate in the amount of the patronage refund so deferred. Funds arising from such deferments and evidenced by such certificates may be used to build up capital or revolve such capital, and may be used to refund outstanding series of revolving fund certificates in the order of their issuance.

Section 11. Lien on Membership and Interest of Member. The co-operative shall have an absolute lien on each membership interest and each subscriber's interest in a membership, and on any revolving fund certificate or other indebtedness of the co-operative to a member or other person for any debts owned by such person to the co-operative.

Section 12. Reserve Accounts. The books and records of the co-operative shall be kept in such manner by years that the amount carried to the reserve fund accruing from patronage of each member or other person may be ascertained at any time. Whenever, in a given year, the operations of the co-operative result in a net loss, such loss, to the extent that the reserve fund is available, shall be charged against the same and it shall be reduced accordingly. The board of directors shall prescribe the basis on which the reserve contributions of members and other persons by years shall be reduced on account of any such loss so that the loss will be borne on as equitable a basis as the board of directors finds practical.

Section 13. Dissolution. Upon dissolution of the co-operative in any manner the assets shall be distributed in the manner set forth in the articles of incorporation.

Section 14. Departments. The board of directors in its discretion may

organize the co-operative into two or more departments. If the co-operative is so organized, its books and records shall be kept so as to reflect the financial status of each department. Net savings of the co-operative shall be credited equitably to the respective departments; records of patronage shall be kept by departments and patronage refunds, provided in Article IV, shall be paid according to patronage of each department. The reserve fund account shall be kept by departments and the rights of members on dissolution shall be determined in accordance with such records.

ARTICLE IV

Disposal of Net Savings

The board of directors shall, at the end of each fiscal year, provide for the distribution of net savings in accordance with the following method:

(a) Reserve Fund. Not less than ten percent of the net savings shall be placed in a reserve fund until such time as the fund shall equal at least 50 percent of the paid-up capital, and thereafter the board of directors may continue to set aside ten percent of the net savings for the reserve fund. The amounts apportioned to the reserve fund shall be allocated on the books of the co-operative and on a patronage basis, in order that upon dissolution or earlier if deemed advisable such reserves may be returned to the patrons who have contributed the same.

(b) Educational Fund: General Welfare. Two percent of the remainder shall be allocated to an educational fund to be used in teaching co-operation, to the members of the co-operative.

(c) Patronage Refunds: The remainder shall be allocated at the same uniform rate to all patrons of the co-operative in proportion to their individual patronage, provided that:

(1) In the case of a subscriber patron, at least 50 percent of his patronage refund shall be credited toward the purchase of his membership certificate until fully paid for;

(2) In the case of a non-member patron, his patronage refund shall be set aside in a general fund for such patrons and shall be allocated to him only upon request and presentation of evidence of the amount of his patronage. Any patronage refund so set aside shall be credited to such patron toward the purchase of a membership certificate. When a sum equal to the cost of such certificate has accumulated, at any time within one year, such patron shall be deemed and become a member of the co-operative if he so agrees or requests and is otherwise eligible for membership. A membership certificate shall then be issued to him;

(3) If within one year, any subscriber has not accumulated and paid

in the amount necessary for the purchase of a membership certificate, or any non-member patron has not accumulated in his individual account the sum necessary for membership or has accumulated such sum but neither requests nor agrees to become a member or is ineligible for membership, then the amounts so accumulated and any part of the general fund for non-member patrons which has not been allocated to individual non-member patrons shall go to the educational fund and thereafter no member or other patron shall have any rights therein as such;

(4) If departments are established as provided in Section 14 of Article III, Patronage refunds shall be made upon the basis of the net savings of each department. If any department has an operating deficit, it shall be charged against the reserve fund of the department to the extent of such reserve. Any additional deficit shall be charged against the net savings or reserve fund of the profitable departments in proportion to the net savings of each during such period. No patronage refunds shall be made for any period in which the department has an operating deficit, or which the co-operative has a general operating deficit, or while the co-operative has a capital deficit. If departments are not established, no patronage refund shall be made for any period in which the co-operative has an operating deficit or as long as the co-operative has a capital deficit.

ARTICLE V

Membership Meetings

Section 1. Semi-annual Membership Meetings. A meeting shall be held semi-annually on the 1st Monday of December and the 1st Monday of June of each year by each unit of membership at a time and place to be designated by the board of directors and specified in the notice of the meeting, which notice shall be sent to each member at his last known address not less than ten days before the day of the meeting. At such meeting the members of each unit shall elect from their number a delegate or delegates, who shall represent such members in all matters affecting their interest during the ensuing six months, to the Congress of Delegates of the co-operative.

A unit of membership shall consist of all the members of the co-operative in good standing who reside within a Block of the relocation center.

Each unit of membership shall be entitled to one delegate for each 30 members in good standing, or major fraction thereof, who reside within the Block. If there are not 30 members in a unit of membership (block), the unit shall be given one delegate.

Section 2. Special Membership Meetings. Within ten days after the death, resignation, disqualification, or incapacity to act of any delegate, the Secretary shall call a special meeting of the unit of membership to name the successor.

The secretary shall call a special meeting of a unit of membership upon demand by written petition of at least one-tenth the members thereof in good standing for the purpose of considering the removal from office of a delegate elected by such unit.

A notice of every special meeting of a unit of membership, specifying the time, place, and purpose of the meeting, shall be sent to each member of the unit at his last known address not less than ten days before the meeting is to be held. A majority of the members present at any unit meeting duly called may remove a delegate and elect his successor.

Section 3. Congress of Delegates. The Congress of Delegates shall consist of delegates elected as hereinabove set forth by the various units of membership, and shall represent the membership in all matters pertaining to the co-operative.

Section 4. Place of meeting. All meetings of the Congress of Delegates shall be held at the principal office of the co-operative or at such other place as the board of directors may from time to time designate.

Section 5. Regular Meetings. Regular meetings of the Congress of Delegates shall be held monthly on the 15th day of each month at a time and place to be designated by the board of directors and specified in the notice of the meeting. If such day falls on Sunday, the meeting shall take place the next day. Such notice shall be sent to each member at his last known address not less than ten days before the meeting is to be held.

Section 6. Special Meeting. The secretary shall call special meetings of the Congress of Delegates within ten days after demand by a majority vote of the directors or by written petition of at least one-tenth of the membership. Notice of a special meeting of the Congress of Delegates shall be given in the same manner as is provided for a regular meeting and shall also specify the purpose for which the meeting is called.

Section 7. Rights and Limitations of Congress of Delegates. The Congress of Delegates at its regular and special meetings shall have both the right and the responsibility to elect directors, to remove them from office for cause, and to elect their successors; to hear and pass upon the reports of officers and the manager of the co-operative and of any committee which are responsible to it; to act as final arbitrator in any disputes or disagreements which may arise between the board of directors, and any committees or individual members; to determine what amendments should be made in the by-laws.

Section 8. Quorum. At any regular or special meeting of a unit of membership or of the Congress of Delegates, of which notice has been duly given, a

quorum shall consist, respectively, of the members or delegates personally present.

Section 9. Voting. Each member and each delegate who has attained 16 years of age shall have one and only one vote, and no member or delegate shall be permitted to vote by proxy.

The secretary shall send to every member of each unit of membership, with the notice of a unit meeting, a copy of any proposal scheduled to be offered at such meeting, and the mail votes cast by the members shall be counted together with those cast at the meeting if such mail votes are returned to the Secretary within fifteen days after the sending of the notice. No delegate shall be permitted to vote by mail upon any matter before the Congress of Delegates.

ARTICLE VI

Directors and Officers

Section 1. Board of Directors. The management of the co-operative shall be vested in a board of directors consisting of 11 members. The Directors shall be elected at a regular monthly meeting of the Congress of Delegates, and shall serve for terms of one year, except that the terms of three of the directors first elected shall expire on the date of the third monthly meeting after such election; the terms of three of the directors first elected shall expire on the date of the sixth monthly meeting after such election; and the terms of three of the directors first elected shall decide by lot whose term shall expire on the the dates of the monthly meetings as provided above.

Section 2. Meetings. All meetings of the Board of Directors shall be held at the principal office of the co-operative or such other place as the board of directors may designate. Regular meetings shall be held monthly at a time fixed by the directors. Special meetings may be called at any time by the President or 6 directors. A majority of all the directors shall constitute a quorum for the transaction of business at any meeting.

Section 3. Vacancies on Board. The board of directors is authorized to fill the position of a director who resigns. A director appointed by the board shall serve until the next regular election only.

Section 4. Duties of Directors. The board of directors shall administer all business carried on by the co-operative, shall act for the co-operative in any manner not prohibited by statute, by the articles of the corporation, or by these by-laws, and shall perform such other duties as are assigned to them by these by-laws.

Section 5. Officers. The board of directors shall annually elect a President and a Vice President, who shall be directors, and a Secretary and a Treasurer, who need not be directors.

Section 6. Duties of President and Vice President. The President shall preside at all meetings of the Congress of Delegates and of the board of directors; he shall execute with the secretary, membership certificates, notes, bonds, mortgages, contracts, and all other instruments on behalf of the co-operative; he shall be ex-officio a member of all standing committees; and he shall have such powers and perform such other duties as may be properly required of him by the board of directors.

The Vice President shall, in the absence or disability of the President, or in the event of his death, resignation, or removal from office, perform the duties and exercise the powers of the President, and shall have such other powers and perform such other duties as the board of directors shall prescribe.

Section 7. Duties of Secretary. The Secretary shall attend all meetings of the board of directors, and committees of the board of directors, and all meetings, of the Congress of Delegates, and shall record all votes and the minutes of all proceedings in a book or books to be kept for that purpose, and shall perform like duties for all standing committees when required; he shall receive and transmit to the board of directors all applications for membership in the co-operative, and shall provide for proper membership records; he shall conduct such correspondence as may be delegated to him by the board of directors; he shall have general charge and supervision of the narrative records, documents, and papers of the co-operative except financial and accounting records; he shall make full reports on all meetings and business pertaining to his office to the Congress of Delegates; he shall deliver to his successor all records and other property that he may have in his custody; and he shall have such other duties as may be prescribed by the board of directors. He shall countersign all notes, certificates, bonds, and all other instruments on behalf of the co-operative.

Section 8. Duties of Treasurer. The Treasurer shall have custody of the corporate funds and securities and financial and accurate record of all receipts and disbursements thereof; he shall disburse the funds of the co-operative as may be ordered by the board of directors, taking vouchers for such disbursements; he shall render to the board of directors at the regular meetings of the board or whenever they may require it, a statement of all transactions as Treasurer and of the financial condition of the co-operative; he shall prepare and distribute to the delegates present at each meeting of the Congress of Delegates a monthly statement of the financial condition of the co-operative; and he shall perform such other duties as the board of directors shall prescribe; upon election of his successor the Treasurer shall turn over to him all money, books, and other property belonging to the co-operative that he may have in his possession.

Section 9. Disqualification. No director shall accept compensation for services performed for the co-operative. No credit shall be extended on the books of the co-operative to any director. No employee of the co-operative drawing a salary from the co-operative, shall serve on the board of directors.

Section 10. Removal. A director or officer may be removed with or without cause by a vote of two-thirds of the delegates voting at a regular or special meeting of the Congress of Delegates. He shall be given at least ten days written notice and shall have an opportunity to be heard at such meeting. A vacancy caused by any such removal shall be filled by a vote of the delegates at such meeting.

Section 11. Executive Committee. The Board of Directors may in its discretion appoint from its own membership a General Executive Committee or several executive committees, such as a Community Store Executive Committee or a Personal Service Executive Committee, and determine the tenure of office of the committee members. The executive committees so appointed shall have such powers and duties as may from time to time be prescribed by the board of directors, and such powers and duties may be all of the powers and duties of the board of directors with respect to a particular undertaking of the co-operative, subject to the general direction, approval, and control of the board of directors.

ARTICLE VII

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the co-operative shall begin on the first day of October, and close on the last day of September of each year.

Section 2. Amendment of By-Laws. The by-laws of the co-operative may be amended or rescinded by a majority of the delegates voting at a regular meeting of the Congress of Delegates or at a special meeting convened for such purpose, upon notice of the meeting sent to each delegate at his last known address at least ten days prior to such meeting and setting forth fully and clearly the proposed amendment or rescission.

Section 3. Seal. The seal of the co-operative shall have inscribed thereon its name, the year of its organization, and the words "A District of Columbia Co-operative Corporation" and shall be in the exclusive custody of the secretary.

Section 4. Record of By-Laws. The original and a true copy of these by-laws shall be recorded and kept in the principal office of the co-operative.

Section 5. Bonding. Every individual acting as officer or employee of the co-operative and handling funds or securities, shall be covered by an adequate bond as determined by the board of directors at the expense of the co-operative.

Section 6. Books; Auditing. To record its business operations, the co-operative shall keep a set of books which shall be audited at the end of each fiscal

year by an experienced bookkeeper or accountant, who shall not be a director or officer. If the annual business amounts to less than \$10,000 the audit may be performed by an auditing committee of three, who shall not be directors, officers, or employees. A written report of the audit, including a statement of the amount of business transacted with members and the amount transacted with non-members, the balance sheet, and the income and expenses, shall be submitted to the annual meeting of the co-operative.

Section 7. Annual Report. The co-operative shall annually make and file a statement of its conditions as required by law. A copy of such statement shall be kept on file at the principal office of the co-operative.

this _____ day of _____, 1943.

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) SS
COUNTY OF DREW)

I, _____, a Notary Public in and for the State of Arkansas and County of Drew, do hereby certify that Kaoru KAMIKAWA, KATSUJIRO ISERI, TOKMICHII NIIMI, HUGH M. KIINO AND MASATAKA IKEDA, parties to certain articles of incorporation bearing date on the _____ day of _____, 1943, and hereto annexed, personally appeared before me in the said State and the parties, being personally well known to me as the persons who executed the said articles of incorporation, acknowledged the same to their act and deed.

Given under my hand and seal this _____ day of _____, 1943.

Notary Public