

OUTLINE PLAN OF PROPOSED CONSUMER COOPERATIVE

SUBMITTED BY TEMPORARY DELEGATES COMMITTEE

1. Proposed name. - Heart Mountain Consumers Cooperative, Inc.
2. Place of business. - Heart Mountain Relocation Project, Wyoming.
3. Purposes:

The association shall engage in any activity involving the manufacture, purchase or sale of commodities or services for the mutual benefit of its members:

  - (a) To aid residents in obtaining goods and services not provided by the War Relocation Authority;
  - (b) To enable to procure goods and services of good quality at as low a cost as possible;
  - (c) To provide a means by which individual needs, desires, and tastes may be expressed and satisfied.
4. Basic Practices.

Sell for cash only, usually at minimum market prices; neutral in race, nationality, religion, and politics; educate constantly; expand continuously.
5. Incorporation.

To be incorporated as a non-profit corporation under District of Columbia Cooperative Law or other state law. Incorporation limits liability of members.
6. Term of the association shall be perpetual.
7. Powers.

The association shall exercise all powers, rights and privileges conferred on corporations by the law, and all powers and rights necessary, incidental or conducive to carrying out the objects and purposes for which this association is to be formed.
8. Eligibility of members.

Residents of this project who are 18 years of age or more shall be regarded as eligible to become members. (It is possible for a whole family to participate in refunds according to the total purchases of the family if one of the family is a member of the association).

Every member shall agree to obey the rules of the association to be set forth in the articles of incorporation and by-laws. He shall agree to help promote the aims and purposes of the association, success of its business management, and welfare of the members.
9. Membership shall be \$1.00 per person.

Any resident who pays \$1.00 membership and accepts the terms and conditions of membership shall be a member.

Any resident who agrees and signs a pledge to pay \$1.00 membership and to accept the terms and conditions of membership shall be a subscriber.
10. Voting power.

Each member has one vote and each subscriber has such voting rights or other membership rights as are provided for in the by-laws or the articles of incorporation. No proxy voting.
11. Reserve fund.

A reserve fund of at least 50% of the paid-up capital of the association shall be established. This fund shall be accumulated by setting aside at least 10% of the net surplus-savings or earnings, if any, until such fund is set up. The reserve fund is to be allocated on the books of the association on a patronage basis so that upon dissolution or earlier if advisable, such reserves may be returned to the patrons who have contributed them.

12. Distribution of patronage refunds.

The Board of Directors shall have the responsibility of administering the distribution of surplus-savings among the members on the basis of patronage. The membership meetings may give recommendation or advise the directors on such matters. The directors shall cause to be made a quarterly audit by an outside certified public accountant. Refunds shall be made at the end of the period prescribed in the by-laws.

Patronage refunds are allocated to members and non-members in proportion to their individual patronage, except that in the case of a non-member a proportionate amount is set aside in a general fund and allocated to him only upon his request and presentation of evidence of the amount of his patronage. Such allocation is credited to the patron at the end of the period prescribed in the by-laws toward payment of the membership. If he does not within that period, accumulate enough for a membership, or neither requests nor agrees to become a member, or fails to comply with the by-laws if any, for admission to membership, the amount so accumulated goes into the educational fund of the cooperative.

13. Fiscal year shall be prescribed in the by-laws.

14. Membership control.

The supreme authority and control of the association shall be vested in the members.

15. Membership meetings.

Membership meetings shall be held as prescribed in the by-laws, but at least once a year. Special meetings may be called by a majority of the directors or by written petition of at least one-tenth of the membership.

Under the law, meetings may be held by units of the membership and a method provided either for transmitting the votes there cast to the central meeting or for representation by election of delegates to the central meeting, or for both such methods.

16. Committee of Delegates.

The members shall elect three delegates from each block who shall serve for a term of one year in the Committee of Delegates. Delegates shall report at least monthly to the blocks regarding management, finance and other matters.

Delegates polling the highest vote in each block shall become members of the Board of Directors. Delegates receiving the second highest vote in each block shall become the incorporators.

17. Committee of Delegates - Meetings.

Regular meetings of the Committee of Delegates shall be held monthly. Special meetings may be called by the President when requested by at least 20% of the Committee of Delegates.

The meetings shall be open to all members of the association.

18. Committee of Delegates - Duties.

(a) To recommend to the members by two-thirds vote of the delegates the removal of any director or officer who becomes negligent in his duties.

(b) To appoint such committees for special purposes as may be deemed necessary to keep the Committee of Delegates properly informed.

(c) To hear reports from the Board of Directors and/or officers and management pertaining to finance, accounting, management, personnel, merchandising, cooperative education, and such other matters deemed necessary for the information of the cooperative members.

19. Board of Directors and Executive Officers:

(a) The management of the association shall be vested in a Board of Directors consisting of 20 members, one member representing each block.

(b) Election of the directors shall take place at regular annual meetings of the membership by secret ballot and they shall serve for a term prescribed in the by-laws.

(c) The officers shall be a President, Vice-President, Secretary, Treasurer, and Assistant Treasurer. President and Vice-President must

be directors; others need not be directors. Officers shall be elected by the directors unless the by-laws otherwise provide.

20. Board of Directors - Duties and functions.

- (a) To manage the association and to engage the necessary staff to undertake this work. Every individual acting as officer or employee handling funds or securities amounting to \$1000. or more in any one year shall be bonded. The by-laws may provide for bonding of other employees or officers.
- (b) To provide and arrange with W.R.A. for suitable premises, machinery, equipment and plant to conduct the association's business.
- (c) To insure that the business shall be carried on in accordance with the by-laws.
- (d) To convene the regular meetings of the Committee of Delegates, call special meetings, and render full reports.
- (e) To help promote the cooperative plan among the employees, members and patrons.

21. Transfer of membership - Withdrawal.

If a member desires to withdraw from the association or dispose of his membership, the directors shall have the power to purchase such membership by paying him the par value of \$1.00. If the association fails to purchase the membership within 60 days of the original offer, the member may dispose of the membership to anyone eligible to membership in the association, subject to the approval of the transferee by a majority vote of the directors. If such transferee is not approved, the directors shall purchase the membership if and when such purchase can be made without jeopardizing the solvency of the association.

22. Dissolution.

The association may be directed to dissolve by vote of two-thirds of the members at any regular or special meeting. Three members shall be designated as trustees by majority vote of the members voting and they shall on behalf of the association and within a time fixed in their designation, liquidate and distribute its assets.

In case of dissolution, its assets shall be distributed in the following manner and order:

1. By paying its debts and expenses;
2. By returning to the members the par value of their memberships, returning to the patrons the amount of savings returns credited to their accounts toward the purchase of memberships;
3. By distributing any surplus among patrons who have been members or subscribers during the past 6 years on the basis of their patronage during that period.

23. Amendments.

Amendments to the articles may be proposed by a two-thirds vote of the Board of Directors, or by petition of 10% of the members. Two-thirds of the members voting may adopt an amendment and when verified by the President and Secretary, it is filed and recorded within 30 days.

Amendments to the by-laws may be made by at least a majority vote of the members voting.

24. Expulsion.

A member may be expelled by a majority vote of members voting at a regular or special meeting. Any member against whom charges are preferred shall be informed thereof in writing at least ten days before a meeting and shall have a right to be heard at the meeting. If a member is expelled, the Board of Directors shall purchase his membership at par value if and when there are sufficient funds.