

BY-LAWS OF GILA RIVER COOPERATIVE ENTERPRISES, INC.

ARTICLE I

Name and Location

Section 1. The name of this cooperative is Gila River Cooperative Enterprises, Inc. Its principal office shall be located at Rivers, Pinal County, Arizona.

ARTICLE II

Business

Section 1. This cooperative 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 type 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 Gila River Relocation Center, including married women and minors, shall be eligible for membership in the cooperative.

Section 2. Membership Certificate. The members shall consist

of persons who have paid in full for a membership interest in the cooperative. The cost of each membership shall be \$1.00. A numbered certificate of membership in the following form shall be issued to each member:

Certificate of Membership

Gila River Cooperative Enterprises, Inc.

Incorporated under the District of Columbia
Cooperative Association Act

This certifies that _____
is a member of Gila River Cooperative Enterprises, Inc.
This certificate and the membership evidenced hereby
are not transferable except as follows:

The member shall offer to sell this membership to the cooperative, 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 cooperative 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 its first regular or special meeting thereafter, and the action of the meeting shall be final. If such transferee is not approved, the directors shall exercise their power of purchase if and when such purchase can be made without jeopardizing the solvency of the cooperative.

Each member of the cooperative 16 years of age or over is entitled to one and only one vote, and no member may vote by proxy. Memberships are non-assessable and members are neither jointly nor severally liable for debts of the corporation.

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 cooperative and all amendments thereto.

IN WITNESS WHEREOF the cooperative has caused this certificate to be signed by its President and Secretary and its corporate seal to be herunto affixed this _____ day of _____, 19__.

(Seal)

President

Secretary

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

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 and records of

minutes of the cooperative shall be available for inspection at all reasonable times and hours by any delegate of the Congress of Delegates upon his request or upon request of any fully-paid member of the cooperative in good standing.

Section 6. Transfers of Memberships.

In the event any member wishes to withdraw from the Cooperative, or removes, for purposes of permanent residence, to a point more than 50 miles from any place of business maintained by the Cooperative, or shall die, or his membership shall be terminated for any reason as hereinafter provided, the Cooperative shall have the option to purchase the membership of any such member by paying the par value thereof to the member or to his administrator, executor or other representative through the Board of Directors. 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 cooperative 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 its first regular or special meeting thereafter, and the action of the meeting shall be final. If such transferee is not approved, the directors shall exercise their power to purchase if and when such purchase can be

made without jeopardizing the solvency of the cooperative.

Section 7. Expulsion and Recall. A member may be expelled by a vote of a majority of the delegates of the Congress or Delegates voting at a regular or special meeting. 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 cooperative for a period of 18 months, the directors may use the reserve funds to recall all his holdings and thereupon he shall cease to be a member of the cooperative. When so recalled, the certificate of membership shall be either reissued or canceled.

Section 8. Liability. Members shall not be jointly or severally liable for any debts of the cooperative.

Section 9. Borrowing Money: Revolving Fund Certificates. The cooperative is authorized to borrow money, with or without security, at not to exceed six per cent per annum and, to evidence the obligation to repay the same, it may 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 cooperative.

The cooperative 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 per cent 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 cooperative properly endorsed. A record of all holders of revolving fund certificates shall be kept and maintained by the cooperative and such certificates shall be transferred only upon the books of the cooperative. 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 cooperative.

The cooperative is authorized to defer the payment of patronage refunds or any portion thereof for a maximum period of three years, 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 10. Lien on Membership and Interest of Member. The cooperative 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 cooperative to a member or other person for any debts owed by such person to the cooperative.

Section 11. Reserve Accounts. The books and records of the cooperative 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 cooperative 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 12. Dissolution. Upon dissolution of the cooperative in any manner the assets shall be distributed in the manner set forth in the articles of incorporation.

Section 13. Departments. The board of directors in its discretion may organize the cooperative into two or more departments. If the cooperative is so organized, its books and records shall be kept so as to reflect the financial status of each department. Net savings of the cooperative 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 per cent of the net savings shall be placed in a reserve fund until such time as the fund shall equal at least 50 per cent of the paid-up capital, and thereafter the board of directors may continue to set aside ten per cent of the net savings for the reserve fund. The amounts apportioned to the reserve fund shall be allocated on the books of the cooperative 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. At least one per cent but not more than five per cent of the remainder shall be allocated to an educational fund to be used in teaching cooperation.

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

- (1) 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 three months, such patron shall be deemed and become a member of the cooperative if he so agrees or requests and is otherwise eligible for membership. A membership certificate shall then be issued to him;

- (2) If within three months, 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;

- (3) 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 that 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 in which the cooperative has a general operating deficit, or while the cooperative has a capital deficit. If departments are not established, no patronage refund shall be made for any period in which the cooperative has an operating deficit or as long as the cooperative has a capital deficit.

ARTICLE V

Membership Meetings

Section 1. Semi-annual Membership Meetings. A meeting shall be held semi-annually on the tenth day of March and the tenth day of September 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 by majority vote elect from their number one delegate, who shall represent such members in all matters affecting their interest during the ensuing six months, to the Congress of Delegates of the cooperative.

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

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 cooperative.

Section 4. Place of Meetings. All meetings of the Congress of Delegates shall be held at the principal office of the cooperative 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 fourth Saturday of each month at a time and place to be designated by the board of directors and specified in the notice of the meeting. 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 Meetings. 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 delegates. 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 cooperative and of any committee which are responsible to it; to act as final arbiter 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. A two-thirds vote of the delegates present at any regular or special meeting duly called may remove any director for cause and elect his successor.

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 of delegates personally present.

Section 9. Voting. Each member and each delegate shall have one and only one vote, and no member or delegate shall be permitted to vote by proxy.

ARTICLE VI

Directors and Officers

Section 1. Board of Directors. The management of the Cooperative shall be vested in a board of directors consisting of ten (10) members. The Congress of Delegates shall divide the area served by the Cooperative into five precincts, each of which precincts shall contain approximately the same number of members of the cooperative.

The boundaries of the precincts so established may, in the discretion of the Congress of Delegates when the circumstances require, be changed from time to time for the purpose of equalization. From each precinct the Congress of Delegates shall elect two directors who shall serve for terms of one year except that the director elected in each precinct, at the first election of directors, who shall receive the lesser vote of the Congress of Delegates shall serve for a term of six months. Each director shall, however, serve until his successor has been elected and has entered upon the discharge of his duties. In case of a tie vote in any precinct at the first election, the Board of Directors shall determine by lot which director shall serve for six months and which for one year.

Section 2. Meetings. All meetings of the board of directors shall be held at the principal office of the cooperative 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 three or more directors. A majority of all the directors shall constitute a quorum for the transaction of business at any meeting. Special meetings may be called at any time by the President or at the request of three or more directors and the Secretary shall serve written notice of every special meeting to each director, specifying the time, place, and purpose of the meeting, to his last known address not less than three days before the meeting is to be held. Special emergency meetings may be held if all of the directors are present and waiver of notice is signed by each of the directors.

Section 3. Vacancies on Board. The Congress of Delegates is authorized to fill the position of a director who resigns. A director appointed by the Congress of Delegates 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 cooperative, shall act for the cooperative 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 semi-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 the President and Vice President. The President shall preside at all meetings of the Congress of Delegates and of the board of directors; he shall be ex officio a member of all outstanding committees; and he shall have such other and additional powers and perform such other functions as may from time to time be assigned to him by resolution of 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 he shall have such other and additional powers and perform such other functions as may from time to time be assigned to him by resolution of the board of directors.

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 cooperative, 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 cooperative 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 and additional powers and perform such other functions as may from time to time be assigned to him by resolution of the Board of Directors.

Section 8. Duties of Treasurer. The Treasurer shall have custody of the corporate funds and securities and financial and accounting records, and shall keep or cause to be kept a full and accurate record of all receipts and disbursements thereof; he shall disburse the funds of the cooperative 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 cooperative; he shall prepare and distribute to the delegates present at each regular meeting of the Congress

of Delegates a monthly statement of the financial condition of the cooperative; and he shall have such other and additional powers and perform such other functions as may from time to time be assigned to him by resolution of the board of directors; upon election of his successor the Treasurer shall turn over to him all money, books, and other property belonging to the cooperative that he may have in his possession.

Section 9. Disqualification. No director shall accept compensation for services performed for the cooperative in his capacity as a director. No credit shall be extended on the books of the cooperative to any director. No director shall be employed by the cooperative in any capacity except as an officer of the corporation.

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. Committees. The board of directors may, in its discretion, appoint the membership of the cooperative any committees which it deems necessary or advisable to the operation of the cooperative and shall determine the tenure of office of the committee members. Committees so appointed shall have powers and duties as may from time to time be prescribed and assigned by the board of directors, subject to the general direction, approval and consent of said board of directors.

ARTICLE VII

Miscellaneous

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

Section 2. Amendment of By-laws. The by-laws of the cooperative 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 cooperative shall have inscribed thereon its name, the year of its organization, and the words "A District of Columbia Cooperative Corporation", and shall be in the exclusive custody of the secretary.

Section 4. Record of By-laws. The original and a true copy of those by-laws shall be recorded and kept in the principal office of the cooperative.

Section 5. Bonding. Every individual acting as officer or employee of the cooperative and handling funds or securities amounting to \$1,000 or more in any one year shall be covered by an adequate bond as determined by the board of directors, at the expense of the cooperative.

Section 6. Books; Auditing. To record its business operations, the cooperative 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 expense, shall be submitted to the annual meeting of the cooperative.

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