

AMENDED AND RESTATED BYLAWS OF
SLOW BLOOM COFFEE
COOPERATIVE CORPORATION

Adopted December 3rd, 2023

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OUR VALUES

Slow Bloom Coffee Cooperative Corporation was born from the struggle to protect and uplift the rights of coffee workers in the midst of unprecedented global events. From these beginnings our values are informed by an ethos of unity, the value and dignity of every worker, and a dedication to a democratic spirit. We strive to uphold and promote the values in the communities we serve by:

- Maintaining a culture of equity and respect within the collective body that extends outwards to our communities.
- Engaging in ethical business practices that take care of the rank and file workers at every level of our industry from farm to cup.
- Fostering a safe environment in which community members explore and exchange meaningful dialogue and ideas as they strive to better the lives of their neighbors.
- Challenging the dominant workplace structure at large by asserting the significance and value of each and every worker in every corner of our society.

ABOUT THESE BYLAWS

These Bylaws represent the foundational governing document of Slow Bloom Coffee Cooperative Corporation (our “Cooperative”). This Cooperative is intended to be owned and managed by our worker-members. These Bylaws lay out important legal tools, rights, and obligations of our worker-members to achieve that goal. We have organized our Bylaws around three key areas:

- I. **Membership** – Given the centrality of our worker-members to the Cooperative, Articles 1-4 of our Bylaws provide a detailed discussion of how individuals enter, engage with, and end their time as worker-members.
- II. **Financial Matters** – It is our intent that this Cooperative be sustainable as a whole and can provide means for our workers to sustain themselves. Article 5 of our Bylaws contains essential financial and tax-related provisions.
- III. **Administration** – Sustained and active member engagement is essential to our success. Articles 6-10 of the Bylaws detail important administrative and legal mechanics to help us remain transparent and responsive to our members, while still empowering and protecting them as they participate, manage, and lead.

Other Policies: The Members may adopt other rules and policies outside of these Bylaws, such as brewing methods, meeting facilitation protocols, the Worker-Owner Handbook, and so on. There is also a decision-making matrix we use to help ensure the right folks are in the room and considering decisions. All Members shall have access to all other rules and policies, as well as these Bylaws. If there’s a discrepancy between these other documents and the Bylaws, these Bylaws control.

These Bylaws are based upon California Cooperative Corporation Law, beginning at Section 12200 of the California Corporate Code. Any matters not addressed here or in our Articles of Incorporation shall be determined by that law.

The original bylaws of the Cooperative were adopted on September 16, 2020. These Amended and Restated Bylaws dated [DATE] replace and supersede the old bylaws in their entirety.

Article 1 MEMBERSHIP

1.1. Classes of Members

The Cooperative shall initially have one class of members, namely worker-members. Any reference to “Member” or “Membership” in these Bylaws shall mean worker-members, or worker-membership, as applicable.

1.2. Becoming a Member

To become a Member of this Cooperative, a person must:

- (a) Be a resident of California;
- (b) Be a worker in the Cooperative, which is a natural person who contributes labor or services to the Cooperative;
- (c) Pay a Capital Contribution of \$200 to the Cooperative;
 - (1) If the Members approve, a person may make their required Capital Contribution by contributing something other than money, such as services or equipment, or by making payments over time, after they become a Member.
 - (2) The Capital Contribution shall be \$10 for any individual who worked for Augie’s Coffee for at least 3 months in the years 2019-2020 and who was a part of the union organizing drive, and who joins the Cooperative prior to October 31, 2021.
- (d) Complete a “Candidacy Period” as described in Section 1.3;
- (e) Obtain a California Food Handlers Card license;
- (f) Complete barista training provided by the Cooperative, or have other sufficient training that is approved by the Members;
- (g) Be approved by the existing Members, by means of the process described in Section 1.4;
- (h) Receive a copy of the Cooperative's Disclosure Statement, Bylaws, and a receipt for payment of the Initial Capital Contribution; and
- (i) Join at least one Member Committee.

1.3. Candidacy Period

- (a) Workers seeking Membership in the Cooperative must complete a candidacy period of at least 3 months and no longer than 6 months.
- (b) During the candidacy period, an individual must work at least 15 hours per week for the Cooperative.

(c) A worker's candidacy period begins when the Board declares that their candidacy period begins and notifies that candidate that they are a candidate.

(d) The Cooperative may waive the Candidacy Period for a former Member by a 75% vote of all the current Members.

(e) This Candidacy Period was waived for any individual who worked for Augie's Coffee for at least 3 months in the years 2019-2020, was a part of the union organizing drive, and who joined the Cooperative prior to October 31, 2021.

1.4. Acceptance of Members

The application review and approval process for a prospective Member is as follows:

(a) The Board or an empowered hiring committee shall receive the membership application from a prospective Member and shall submit it to all of the Members for approval.

(b) All of the Members shall then vote on whether to approve the application.

(c) If the application is not approved, the applicant's employment shall be immediately terminated, unless the Members choose to specify a further Candidacy Period to be followed by a second decision of the Members on whether to approve the application.

(d) Upon approval of the application, and meeting the qualifications listed in Section 1.2, the applicant shall immediately become a Member. '

1.5. Transferability of Memberships

Memberships shall be non-assessable and may not be transferred, voluntarily or involuntarily, by operation of law or otherwise, except for a transfer to the Cooperative under the redemption provisions set forth in the articles of incorporation or in the Cooperative's bylaws.

Article 2 MEMBER MEETINGS

2.1. Member Authority

(a) Members shall actively engage in, lead initiatives for, and manage the business of the Cooperative.

(b) The following decisions require the approval of the Members:

(1) Hire a new candidate;

(2) Accept new Members;

(3) Elect or remove Directors and Officers;

(4) Increase or decrease the number of Directors and Officers;

(5) Suspend, terminate or expel a Member;

- (6) Decide to make raises or alter wages under Section 5.5.
- (7) Change the primary purpose of the Cooperative;
- (8) Enter into a single agreement (other than borrowing money) that obligates the Cooperative to spend over \$10,000 at one time or \$10,000 over a period of one year;
- (9) Enter into a joint venture, partnership, or similar agreement;
- (10) Amend the Bylaws or Articles of Incorporation;
- (11) Merge, sell, or dissolve the Cooperative; approve a reorganization, conversion, or consolidation of the Cooperative; or file for bankruptcy.

2.2. Member Proposals

(a) All Members shall be invited and welcomed to bring proposals to the Cooperative. A proposal is a written idea that includes, but is not limited to, any request to change Cooperative policy, procedures, operations, or processes, changes to governance, or to change the Bylaws or Articles of Incorporation.

(b) The Board may establish procedures and deadlines for Members to submit proposals for consideration at the Annual Member Meeting, or Member Meetings generally.

2.3. Regular Member Meeting

(a) Meetings of the Members (each, a “Member Meeting”) shall be held no less frequently than once a month, typically on the first Monday of each month via video conference, unless the Board determines sets a different date and time and location and complies with the meeting notice provisions of these bylaws.

(b) The Member Meeting held each November shall be the “Annual Members Meeting.” At this Annual Member Meeting, the Members shall conduct the Board and Officer elections and conduct any other proper business. The Treasurer will present the annual report at this meeting.

(c) If a Member Meeting falls on a holiday it should be held at the same time/place the following business day.

2.4. Special Member Meetings

(a) Special meetings of the Members for any lawful purpose may be called by the Board, the President, Vice President/Secretary, or Treasurer. In addition, a special meeting may be called by the greater of three Members, or 5% of the Members.

(b) The procedure for Members to call a special Members meeting shall be as follows:

- (1) The person(s) requesting the special meeting shall submit a written request to the President, Vice President/Secretary, or Treasurer;

- (2) Within 20 days after receipt, the President or Secretary shall cause notice to be given to the Members entitled to vote that a meeting will be held at a time not less than 35 nor more than 90 days after the receipt of the request.

2.5. Notices Generally

(a) Notice of a Members' meeting or any report shall be given by electronic transmission (e.g. email), or by mail or other means of written communication, addressed to a Member at the address of such person appearing on the books of the Cooperative or given by the person to the Cooperative for purpose of notice. Notwithstanding the above, notice given to Members less than 10 days before the date of the meeting must be delivered personally according to Section 2.6.

(b) Any Member shall be entitled to notice of any Member Meeting, so long as his/her/their Membership became official 10 days before the meeting date.

(c) The notice shall state the following:

- (1) Meeting place, date, and time of the meeting;
- (2) If applicable, the log-in or call-in information for telephone/video/web conference;
- (3) In the case of a special meeting, the general nature of the business to be transacted, and that no other business may be transacted, or
- (4) In the case of the Annual Member Meeting, those matters which the Board intends to present for action by the Members. The notice of any meeting at which any Director(s) or Officers are to be elected shall include the names of the nominees.

(d) Notwithstanding the above, any of the following decisions, other than by unanimous approval by those entitled to vote, shall be valid only if the general nature of the proposal was stated in the notice of meeting or in any written waiver of notice:

- (1) Removal of Members, the Board, or Officers;
- (2) Election of a Director or Officer to fill a vacancy;
- (3) Approval of a Conflicted Transaction. A conflicted transaction includes contract or other transaction between the Cooperative and one or more of its Members, or between the Cooperative and any corporation, firm, or association in which one or more of the Members has a material financial interest or is a director;
- (4) Amendment of the Bylaws or Articles of Incorporation; and
- (5) Approval of a plan of distribution upon winding up of the Cooperative.

2.6. Short Notice of Member Meetings

Whenever the Members are required or permitted to take any action at a meeting, if notice has not been given at least 10 days prior to the meeting, the Cooperative shall provide personal notice not less than 48 hours before the meeting to all Members who are entitled to vote on the record date for notice of the meeting. Personal notice means direct oral communication in person or through a phone call (including voicemail) or text message to the Member's phone number on record with the Cooperative.

2.7. Meetings Held Without Proper Notice

(a) Members not present: The transactions of a meeting, whether or not validly called and noticed, are valid if i) a quorum is present, and ii) each of the absent Members who is entitled to vote, either before or after the meeting, signs either: a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting, or do not object within 60 days of receiving the minutes or resolutions of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) Members present: A Member's attendance at a meeting shall constitute a waiver of notice of and presence at the meeting, unless the Member objects at the beginning of the meeting. However, attendance at a meeting is not a waiver of any right to object to the consideration of matter required to be included in the notice but not included, if an objection is made at the meeting.

2.8. Quorum

(a) The minimum number of Members needed to be at Member Meeting to make decisions binding is referred to as quorum. For our Cooperative, 75% of Members shall constitute a quorum at a meeting of Members ("Quorum").

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

(c) In the absence of quorum, a majority of present Members can vote to adjourn the meeting, and no other business may be transacted, except as provided in Section 2.12(a).

2.9. Voting and Decision-Making at Member Meetings

(a) Each Member will be entitled to one vote on any matter submitted for a vote.

(b) If any vote requires that Members cast a written ballot, only Members that have been Members of the Cooperative for more than 10 days prior to the meeting date are entitled to cast ballots.

(c) Cumulative voting shall not be permitted for any purpose.

(d) Proxy voting shall not be permitted for any purpose.

(e) Default Voting Procedure. Unless designated a Major Decision (as defined below), the vote of at least 50% of the Members in attendance at a Member Meeting with Quorum is required to pass the proposal.

(f) Major Personnel Decisions. The following proposals require a Quorum *and* the affirmative vote of 60% of Members in attendance at a Member Meeting:

- (1) Accept a new Member;
- (2) Remove a Director or Officer;
- (3) Suspend, terminate or expel a Member.

(g) Major Decisions. The following proposals require a Quorum *and* the affirmative vote of 75% of Members in attendance at a Member Meeting:

- (1) Change the primary purpose of the Cooperative;
- (2) Enter into a joint venture, partnership, or similar Suspend, agreement;
- (3) Merge, sell, or dissolve the Cooperative; approve a reorganization, conversion, or consolidation of the Cooperative; or file for bankruptcy.

2.10. Use of Written Ballots at Meetings

(a) The Secretary shall cause a vote to be taken by written ballot upon any action or recommendation proposed in writing by 20% of the Members.

(b) Written ballots may be used for the election of the Board and Officers. Written ballots may also be distributed for other matters if the Board so authorizes.

(c) If any vote involves the casting of a written ballot, only Members that have been Members of the Cooperative as of a record date set by the Board at least 10 days prior to the meeting date are entitled to cast ballots.

(d) Ballots for the Board and Officer elections must:

- (1) Be distributed at least 10 days before the Board;
- (2) Include the names of all nominees; and
- (3) Include a space for write-in candidates.

(e) Other written ballots must:

- (1) Describe the proposed action; and
- (2) Provide an opportunity to approve or disapprove of the proposed action.

(f) All ballots shall specify:

- (1) The number of responses necessary to reach quorum; and
- (2) The deadline by which the ballot must be filled out and turned in, in order to be counted.

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

2.11. Meetings Held Remotely

(a) Any meeting may be held remotely.

(b) Members may participate by telephone, video conference or other similar mechanism, so long as every participating Member can hear and participate. Notice with access to the remote conference should be sent out in advance of the meeting.

(c) Participation in an in-person meeting through use of telephone, video conference, or other similar mechanism constitutes presence in person at the meeting so long as all Members are able to hear and participate.

2.12. Adjourned Meetings

(a) If a meeting is adjourned to a new time/place, Members may conduct any business at the new meeting that could have been conducted at the original meeting.

(b) If the new meeting is announced at the original meeting, no additional notice is required. However, if the new meeting is more than 45 days after the original meeting or if a new record date is fixed for the adjourned meeting, notice of the new meeting must be given to each Member entitled to vote at that meeting.

2.13. Action Without Meetings

(a) Any action which may be taken at a Member Meeting may be taken without a meeting if the Cooperative distributes a written ballot to every Member entitled to vote on that proposal that (i) sets forth the proposal; (ii) provides the opportunity to specify approval or disapproval of the proposal; (iii) indicates the number of responses needed to meet quorum; (iv) indicates the percentage of approvals necessary to pass the proposal; and (v) provides a reasonable time within which to return the ballot.

(b) Approval under this section shall be valid only when:

- (1) The Cooperative receives within the specified timeframe a number of written ballots that is at least equal to the Quorum; and
- (2) The number of approvals is at least equal to the number of approvals required at a meeting.

Article 3 DECISION-MAKING PROCESS

3.1. Decision-Making Process for Member Committees

(a) 75% of Committee members shall constitute a quorum for a Committee meeting.

(b) When a quorum is present at a Committee meeting, matters will be discussed with the goal of reaching consensus.

(c) If consensus cannot be reached, Committee members will vote on whether the issue must be decided at the current meeting or can be tabled for future discussion. Each individual is entitled to one vote.

(d) If at least a 75% of the quorum (i.e., 75% of 75%) believe that an immediate decision is needed, voting will be held on proposals regarding the issue.

(e) The proposals can then be carried by a vote of 75% of the quorum.

3.2. Action Without Meetings

(a) Any action which may be taken at any Member Meeting or Member Committee meeting may be taken without a meeting if the Cooperative distributes a written ballot to every Member entitled to vote on that proposal.

(b) The written ballot shall set forth the proposal, provide the opportunity to specify approval or disapproval of the proposal, indicate the number of responses needed to meet quorum, the percentage of approvals necessary to pass the proposal; and provide a reasonable time within which to return the ballot.

(c) Approval under this section shall be valid only when:

(1) The Cooperative receives within the specified timeframe a number of written ballots that is at least equal to the quorum required for a meeting; and

(2) The number of approvals is at least equal to the number of approvals required at a meeting.

Article 4 TERMINATION OF MEMBERSHIP

4.1. Resignation of a Member

(a) Every Member has the right to resign from the Cooperative.

(b) When a Member resigns from the Cooperative their Membership will be terminated.

(c) To resign from the Cooperative, a Member must provide the Secretary of the Cooperative with a written notice of resignation. The resignation shall become effective immediately without any action on the part of the Cooperative. The individual who resigned from the Cooperative will not be allowed to work for the Cooperative for one month following voluntary termination of Membership unless their membership is renewed by the Cooperative.

(d) If a Member resigns, they are still responsible for any charges, dues, or other obligations that that Member owes to the Cooperative. The Cooperative shall still have the right to enforce any such obligation, including but not limited to deducting such amounts from that to be paid upon termination of membership under Section 5.12.

4.2. Death of Member

(a) A Membership shall immediately terminate upon the death of a Member.

(b) Upon the death of a Member, that former Member's estate shall be responsible for any charges, dues, or other obligations that that Member owes to the Cooperative. The Cooperative shall still have the right to enforce any such obligation, including but not limited to deducting such amounts from that to be paid to the estate upon termination of membership under Section 5.12.

4.3. Expulsion of a Member

No Member may be expelled or suspended except according to procedures satisfying the requirements of this section:

(a) A Member may be expelled or suspended from the Cooperative for any of the following reasons:

(1) Using Cooperative resources or funds for personal benefit without the Members' approval; or

(2) Conviction of a felony.

(b) Any Member of the Cooperative who desires a vote regarding expulsion or suspension of Member for a lawful reason other than those specified in Section 4.3(a) shall submit to the Board a written complaint, endorsed by two other Members (three Members total), identifying the Member in question and specifying grounds for the proposed action.

(c) A Member may be expelled from the Cooperative by a vote of 75% or higher of the Members at a duly called meeting at which a quorum is present.

(d) The Member must be given 15 days' prior notice of the expulsion or suspension, and the reasons for that expulsion or suspension.

(e) The Member shall have an opportunity to be heard by the Members or committee authorized to decide on the proposed expulsion or suspension. The Board will decide whether the opportunity to be heard will be orally or in writing. If oral, the Member in question shall have the opportunity to speak for no more than 10 minutes at the meeting. If in writing, the Member in question may submit a written response to the proposed expulsion or suspension no less than five days in advance of a vote.

(f) Any notice required under this section may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the Member shown on the Cooperative's records.

(g) A Member who is expelled or suspended shall be liable for any damages, charges, dues, or other obligations incurred before the expulsion or suspension. The

Cooperative shall still have the right to collect such amount from the Member (or, if expelled, former Member) through lawful means, including but not limited to deducting such amounts from that to be paid to the former Member upon termination of Membership under Section 5.12.

(h) The Cooperative may direct a Member whose expulsion is being considered to refrain from conducting business as a Member until the expulsion decision is made. The Cooperative may also direct a Member whose expulsion is being considered to stay away from the Cooperative's places of business except as necessary to exercise their rights under law.

Article 5 FINANCIAL PROVISIONS

5.1. Capital Account Cooperative

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

5.2. Fiscal Year

The fiscal year of the Cooperative is the calendar year.

5.3. Definitions

(a) "Surplus" shall be defined as the excess of revenues over Expenses for a fiscal year attributable to Member labor. Given the value of the Member labor to the Cooperative, the initial formula to calculate the amounts attributable to Member labor shall be 1.2 times the Members' Patronage. This 1.2 multiplier for Member patronage is intended to capture the higher value of Member vs. non-Member labor given the experience, variety of skills, and motivation to help the Cooperative succeed that Members bring to their work.

(b) "Profit" shall be defined as the excess of revenues over Expenses for a fiscal year attributable to non-Member labor.

(c) "Loss" shall be defined as the excess of Expenses over revenues for a fiscal year.

(d) Surplus, Profit, and Loss shall be determined on a tax basis. Surplus and Profit shall not include cash contributions by Members to capital.

(e) "Expenses" shall include Distributions paid pursuant to Section 5.10, payments of any interest and principal on any debts of the Cooperative, and reasonable reserves as determined by the Board.

(f) The "Collective Account" shall be Surplus, Profit, and reserves that, with the exception of the portion designated as the Community Investor account, are retained in the Cooperative and not distributed to Members.

(g) "Patronage" shall be defined as hours worked by each Member for the Cooperative. The Cooperative will maintain an internal policy regarding the type of work eligible to count towards Patronage.

(h) "Patronage Dividends" shall have the definition contained in Internal Revenue Code Section 1388(a) (dividends paid to Members based on Patronage).

(i) "Member Account" shall be defined as each Member's capital account in the Cooperative, which is calculated as initial capital contribution plus written notices of allocation minus Distributions minus Losses plus/minus any other item that affects the balance in the Member's capital account.

(j) "Distribution" means the distribution of interest on capital contributed, but does not include Patronage Dividends.

(k) "Deemed Liquidation Event" shall mean (a) a consolidation, merger or other similar transaction of or involving the Cooperative in which the Members of the Cooperative immediately prior to such consolidation, merger or other similar transaction do not continue to hold, immediately after the consummation of such consolidation, merger or other similar transaction, a majority of the voting power of the equity interests of the surviving entity, or (b) a sale or other transfer of all or substantially all of the Cooperative's assets to a third party.

5.4. Allocations

(a) Any Profit shall be credited to the Collective Account.

(b) Any Surplus shall be credited to the Collective Account as necessary to bring the year's contribution to the Collective Account up to 85% of the year's combined Profit/Surplus. All other Surplus shall be paid as Patronage Dividends in direct proportion to Patronage during the fiscal year.

(c) Any Loss shall be allocated 15% to Member Accounts in direct proportion to Patronage during the fiscal year and 85% to the Collective Account, with the exception of Losses occurring and/or carried over from the Cooperative's first two fiscal years, which shall be allocated 100% to the Collective Account.

(d) The percentages referred to in this section can be changed for a coming fiscal year by the Members.

5.5. Wages

(a) Compensation for labor shall be based upon hours worked.

(b) Wages will be distributed based on hours worked and shall be agreed upon and set by vote from all members in accordance with the Treasurer's approval.

(c) Discussion of raises will take place every six months and any raise shall be approved by the Treasurer, a majority vote by the Board, and a vote by the Members.

(d) Should it occur that the business suffers, one-time or temporary alteration to wages shall be allowed with approval of the Members.

(e) No Member shall earn a higher set hourly wage than any other Member.

(f) Overtime shall be conducted in accordance with state law.

(g) Overtime hours must be approved by the Board before overtime work is completed.

5.6. Salaries

Every salaried position shall be accountable for the completion and successful oversight of set tasks. Every salaried position is subject to auditing by the Board at will, and no more than once a month except in the case of extenuating circumstances. Extenuating circumstances are herein defined as the demonstratable failure to complete defined tasks.

5.7. Tips and Bonuses

Tips shall be distributed evenly among all workers in accordance with the hours worked.

5.8. Patronage Dividends

(a) The Cooperative shall decide whether to make Patronage Dividends no less than once per year.

(b) The Cooperative may calculate and make Patronage Dividends more frequently (e.g., biannually, quarterly, or monthly) based on an estimate of Patronage Dividends; provided, however, that if actual Patronage Dividends at fiscal year-end deviate from estimates, the Cooperative will correct the accounting accordingly. Where, under such circumstances, it is revealed that the Cooperative over estimated Patronage Dividends to any Member(s), such corrections should first and to the extent possible be made through revising Patronage Dividends allocated to such Member(s), rather than requiring repayments of any cash from Members.

(c) Patronage Dividends shall be made 50% in cash and 50% to each individual Member Account as a written notice of allocation, unless different proportions are approved by the Members within eight-and-a-half months of the fiscal year's close – however, at least 20% must be distributed in cash.

(d) Patronage Dividends may be by qualified or non-qualified written notices of allocation or a combination of the two.

5.9. Members' Covenant to Declare Income for Tax Purposes

Each Member shall take into account on their income tax return any Patronage Dividends which are made in qualified written notices of allocation (as defined in 26 U.S.C. Section 1388) at their stated dollar amounts in the manner provided in 26 U.S.C. Section 1385(a) in the taxable year in which the Member receives such written notices of allocation.

5.10. Distributions of Interest on Member Accounts

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

5.11. Periodic Redemption of Member Accounts

(a) The Cooperative shall aim to pay out in cash to the Members all funds credited to their Member Accounts within three years of the date they were first credited.

(b) As a general rule, written notices of allocation credited to Member Accounts (including notices now converted to debt) will be paid out in the order in which they are credited, with the oldest paid out first. However, the Members can decide to accelerate the repayment of debt owed to former Members on a case-by-case basis.

(c) If the Cooperative does not have sufficient funds to pay out all funds credited to Member Accounts for a given fiscal year, then funds will be paid out in proportion to the balance in the Member Accounts.

5.12. Payment Rights Upon Membership Termination

(a) When a Membership is terminated for any reason, including a Member's death, the amount in the Member Account will automatically be converted to debt owed to the former Member, or, if necessary, to the Member's estate, or to another assignee designated by the Member.

(b) The Cooperative shall repay the debt within two years of the Membership termination, with zero interest for the first six months, and thereafter interest accruing at the discount rate – as set by the Federal Reserve Bank of San Francisco – plus two percent, on the amount outstanding at the end of each fiscal year.

(c) The Cooperative, in settling a Member Account, shall have the right to set off any and all indebtedness of the former Member to the Cooperative.

5.13. Priority of Payments

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

(a) First, to make payments of any necessary expenses related to the operation of the Cooperative, including wages, and payments of any interest and principal on any debts of the Cooperative

(b) Second, to pay Patronage Dividends to all eligible Members

(c) Third, to pay Distributions to all eligible Members, and

(d) Fourth, to make periodic redemptions pursuant to Section 5.8

5.14. Dissolution Distributions

(a) Upon liquidation, dissolution, or sale of the assets of the Cooperative as a Deemed Liquidation Event, any assets left after payment of all debts and Member Account balances shall be distributed to all persons who are current or living past Members in proportion to the number of hours each Member worked during the time they were a Member of the Cooperative.

(b) No distribution need be made to any person who fails to acknowledge the receipt of notice of liquidation in a timely manner. Said notice shall be deemed sufficient if sent by certified mail, at least 30 days before distribution of any residual assets, to the person's last known business or residence address.

5.15. Unclaimed Equity Interests

Any proprietary interest in the Cooperative held by a Member that would otherwise escheat to the State of California as unclaimed personal property shall instead become the property of the Cooperative if the Cooperative gives at least 60 days prior notice of the proposed transfer to the affected Member by (1) email to the last email address of the Member shown on the Cooperative's records; (2) first-class or second-class mail to the last address of the Member shown on the Cooperative's records; and (3) by publication in a newspaper of general circulation in the county in which the Cooperative has its principal office. No property or funds shall become the property of the Cooperative under this section if written notice objecting to the transfer is received by the Cooperative from the affected Member prior to the date of the proposed transfer.

Article 6 MEMBER COMMITTEES

6.1. Member Committees

(a) The Cooperative is governed by its Members through committees of Members ("Member Committees").

(b) In order to permit more direct and dispersed management by Members, the Members shall use Member Committees to manage the Cooperative's business and generate proposals for the Cooperative as a whole to consider.

(c) The Board is authorized to establish Member Committees and appoint committee chairs who are accountable to the Board for carrying out the duties they are charged with.

(d) Each Member Committee shall consist of two or more Members.

(e) Each Member shall be required to serve on at least one Member Committee.

6.2. Member Committee Chairs

(a) Committee chairs are authorized to assemble committees from the membership and are responsible for carrying out the purposes of the committee. Committee chairs will advise the Board regarding the number of voting members each committee will have but the Board shall retain authority to expand or limit the number of voting committee members.

(b) Out-of-shop work must be organized through the committee structure and facilitated by the committee chair with the approval of the Board. Any hours required for committee work will be approved by the Board. No work is authorized to engage in paid work outside of the shop without the approval of a committee chair and the Board.

(c) Committee chairs are tasked with planning and hosting meetings, and ensuring that minutes for each meeting are recorded and accessible. An agenda and meeting time must be made public to all members for each meeting.

(d) No committee chair is authorized to serve on a committee in an administrative position alone and must participate in the entire committee's work.

(e) Any complaint regarding the conduct of any committee chair shall be brought before the Board with a witness. If just cause is found, the Board is authorized to remove a committee chair. A new committee chair will be found and appointed within one week of the Board's decision to remove the prior committee chair.

6.3. Member Committee Meetings

(a) Member Committees may meet as often as desired (e.g., biweekly, monthly), but no less than once every other month.

(b) Member Committee meetings must be organized in advance with reasonable notice to each Member serving on that Member Committee.

(c) Member Committees shall make decisions according to Section 3.1.

(d) Any worker may attend any committee meeting in a non-voting capacity and may participate in dialogue prior to a vote.

(e) Committee members can accrue up to one hour of paid time per week for attending meetings. Non-voting members may attend but may not accrue paid time for attending.

6.4. Actions Without a Meeting

A Member Committee may only take action without a meeting if all Members serving on that Member Committee unanimously consent in writing to the action.

Article 7 BOARD OF DIRECTORS

7.1. Board of Directors

(a) There shall at all times be a board of directors (the "Board" or "Executive Board").

(b) In addition to the minimum duties of the Board prescribed by law, the purpose of the Board is to provide administrative services to the Members and to facilitate Member governance of the Cooperative.

(c) An individual serving on the Board shall be called a "Board member" or "Director."

(d) The Board will oversee policy, proposals, staffing, financial, and development decisions for the Cooperative.

(e) The Board will have standing meeting hours published and accessible to all members. Members may pursue recourse, resolution, or justification by approaching the Board during standard meeting hours.

7.2. The Board Composition and Elections by Members

(a) The Board shall be comprised of 3 individuals each serving a two-year term.

(b) At each annual Member Meeting, the Members will elect the Board and elect a President, Treasurer, and Vice President/Secretary. (See Article 8). A person's election to an officer position is automatically their election to the Board.

(c) Nominations.

(1) Any Member can nominate any Member (including themselves) for the Board. Nominations must be announced at least one month in advance of an election by any method (e.g., announcement at a meeting, on Slack, on bulletin board.)

(2) Directors shall then be elected at the Annual Member Meeting by written ballot, to serve one-year terms.

7.3. Notice of Board Meetings.

(a) Regular meetings of the Board will be held quarterly and upon at least 2 weeks' notice.

(b) Notices for Board Meetings may be provided via email, Slack, or telephone, including voice or text messaging.

(c) Special meetings of the Board shall be held upon 4 days' notice by first-class mail or 48 hours' notice delivered personally, by telephone, including voice and text messages, Slack, or by email by the Cooperative. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board.

7.4. Waiver of Notice.

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

7.5. Required Attendance.

All Directors are required to attend regular board meetings. Members not serving on the Board may also attend if invited by the Board.

7.6. Quorum.

80% of the Directors shall constitute a quorum for a Board meeting.

7.7. Voting.

When a quorum is present, Board proposals will be adopted with at least a 60% vote.

7.8. Supermajority Approval of Major Board Decisions.

Approval by the Board of the following decisions requires a supermajority vote of 80%:

- (a) Borrowing money over \$10,000;
- (b) Making or revoking the tax election of the Cooperative;
- (c) Modifying the Worker-Owner Handbook.

7.9. Conduct.

All conduct at Board Meetings shall conform to the Cooperative's policy regarding conducting meetings as specified in the "House Rules" as amended or any document similar and intended to clarify meeting procedures and conduct.

7.10. Loss of Quorum at a Meeting.

If there is a quorum present at the beginning of a meeting and then some Directors leave so that less than a quorum remains, the remaining Directors may continue to conduct business as long as any actions they take (other than adjournment) reflect consensus of, or when voting is called for, at least 60% of the Directors required to constitute a quorum (or 80% in the event of a vote under Section 7.8).

7.11. Adjournment for Lack of Quorum.

In the absence of quorum, a majority of present Directors can vote to adjourn the meeting. No other business may be transacted, except as provided in Section 7.10 above.

7.12. Adjourned Meetings.

The Directors present, whether or not a quorum is present, may by a vote of 60% adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

7.13. Actions without a Meeting.

The Board may take action without a meeting if (a) the proposal was previously discussed via email, or at a Board or Member Meeting and (b) all Directors consent in writing to the action. The written consents shall be filed with the minutes of the Board's meetings. Action by written consent has the same force and effect as a unanimous vote of the Directors.

7.14. Resignation and Removal of the Board

- (a) Resignation.
 - (1) A Board member may resign effective upon giving written notice to the President or the Vice President/Secretary of the Cooperative, unless the notice specifies a later time for the effectiveness of such resignation.
 - (2) The Board shall then appoint a person to fill the vacancy and serve until the next Annual Members Meeting.
- (b) Removal.
 - (1) The Board may declare vacant the office of a Board member whose eligibility for election as a Board member has ceased, or who has been declared of unsound mind by a final order of court, or convicted of a felony, or terminated as a Member.
 - (2) Board members may be removed without cause by the Members.
 - (3) Vacancies caused by removal may only be filled by approval of a majority of all Members at a duly called meeting at which a quorum is present.
 - (4) Any reduction of the authorized number of the Board does not remove any Board member prior to the expiration of the Board member's term of office.

Article 8 OFFICERS

8.1. Titles of Officers

- (a) Officers of the Cooperative shall be:
 - (1) A President,
 - (2) A Vice President/Secretary,
 - (3) A Treasurer, and
 - (4) Any other Officer with a title and duties determined by the Members.
- (b) One person may hold any number of offices, except the President and Treasurer shall not be the same person.

8.2. Duties of Officers

- (a) Officers' duties include those duties:
 - (1) Prescribed by law,

- (2) Granted by these Bylaws, and/or
- (3) Granted by resolutions of the Members.

(b) The Treasurer must ensure that the Cooperative's records and reports are properly kept and filed.

(c) The President shall take on the duties of the Treasurer if the Treasurer is unable or unwilling to do so.

8.3. Nomination and Election of Officers

(a) Any Member can nominate any Member (including themselves) for any office. Nominations must be announced at least one month in advance of an election by any method (e.g., announcement at a meeting, on Slack, on bulletin board.)

(b) Officers shall then be elected at the Annual Member Meeting by written ballot, to serve one-year terms. The candidate receiving the highest number of votes for an office shall be elected.

8.4. Resignation or Removal of Officers

(a) Officers can be removed by a vote of the Members.

(b) Any Officer may resign at any time with written notice to the Cooperative, without prejudice to the rights, if any, of such person as a Member.

(c) Vacancies shall be filled at the next Board meeting or Annual Member Meeting, whichever is sooner.

Article 9 CORPORATE RECORDS AND REPORTS

9.1. Records Required to Be Kept

(a) The Cooperative shall keep at its principal office:

- (1) The original or a copy of its Articles and Bylaws as amended to date;
- (2) Adequate and correct books and records of account;
- (3) Minutes of the proceedings of its Members and the Board; and
- (4) A record of its Members, providing their names and addresses.

(b) Minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing.

9.2. Inspection Rights

(a) The Cooperative's Bylaws and Articles shall be open to inspection by the Members at all reasonable times during office hours.

(b) Any such inspection may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

(c) The accounting books and records and minutes of proceedings of the Members and the Board shall be open to inspection upon the written demand on the Cooperative of any Member at any reasonable time, for a purpose reasonably related to such person's interests as a Member.

9.3. Annual Report

(a) The annual report shall be prepared no later than 120 days after the close of the Cooperative's fiscal year and shall be distributed to Members at or before their next meeting.

(b) The annual report shall contain in appropriate detail:

(1) A balance sheet as of the end of the fiscal year;

(2) An income statement;

(3) A cash flow statement of the fiscal year;

(4) A statement of where the names and addresses of current Members are located; and

(5) An annual statement of transactions and indemnifications to "interested persons" as defined by law.

(c) For fiscal years in which the Cooperative has (at any given time) over 25 Members, the Cooperative shall notify each Member of their right to receive an annual financial report.

(d) The annual report shall be accompanied by any pertinent report by independent accountants.

(e) If there is no such report from an independent accountant, an authorized Officer of the Cooperative shall certify that the annual report was prepared from the books and records of the Cooperative, without audit.

Article 10 INDEMNIFICATION

10.1. Indemnification

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

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Slow Bloom Coffee Cooperative Corporation that these Bylaws, consisting of [22] pages, are the Amended and Restated Bylaws of this cooperative as adopted by the Members on December 3, 2023 and that these Bylaws have not been amended or modified since that date.

Executed on December 3, 2023 at 420 W Colton Ave Redlands, California, by



[Jina Edwards], Secretary

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