

Bylaws of People's Books Cooperative
Adopted 4.27.14

The mission of People's Books Cooperative is to provide books that stimulate the intellect and spirit in a way that supports the community in building a just and sustainable society. The Cooperative will serve as an example for other cooperatives and be governed in an open and democratic manner. People's Books Cooperative is incorporated and operated according to the Wisconsin Cooperative Association Act.

Article 1: Offices

The principal office of the People's Books Cooperative shall be located at 804 E. Center St., Milwaukee, Wisconsin 53212. The Board of Directors shall have the power and authority to establish and maintain branch or subordinate offices at any other locations within Wisconsin.

Article 2: Members

2.1 Membership

Membership shall be restricted to physical persons to the exclusion of any artificial entity. A single membership may be granted to two or more persons who are members of the same household.

Membership shall be granted if all of the following requirements are met:

- A. The filing of a Membership Application. The Membership Application shall be approved by the Board of Directors.
- B. Payment of the membership fees as determined from time to time by the Board of Directors each year. The fees may be paid in one lump sum or five consecutive annual payments valued as the lump sum divided by five.

Except as otherwise provided in these Bylaws, the incidents of membership shall be determined by the Board of Directors.

2.2 Termination

Failure to abide by these terms shall result in termination. Termination may also occur upon the resignation of a member. Unless agreed upon by the Board of Directors and the member in question, the Board of Directors may terminate a member upon a good faith determination that the member's interests are adverse to the Cooperative. A terminated member shall be entitled to a refund of the balance of his or her Membership Account as provided in Article 12, Section 12.2.

2.3 Transferability

Members may not transfer any interest incident to the membership or any rights granted by the interest.

2.4 Members' Meetings

A. Annual Meeting

The annual meeting of the members shall be held within the six months after the end of the last fiscal year, beginning with the year 2008. The exact time and place of the meeting shall be determined by the board of directors. The exact time and place of the meeting shall be posted inside the principal office in addition to the notice required in this Article. At the annual member meeting, open seats on the board of directors shall be filled by elections and annual reports shall be presented. Annual reports shall include the treasurer's report, the membership coordinator's report, the volunteer coordinator's report, the event coordinator's report, and the operations director's report.

If the election of directors is not held on the day designated in this Article, or the annual membership meeting is adjourned, the board of directors shall cause the election to be held at a special meeting of the members as soon as is convenient but before two weeks have elapsed from the original meeting.

B. Special Meetings

Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, by the board of directors, or by members having one fifth of all the votes entitled to be cast. The notice for the special meetings shall specify the purpose of the meeting.

C. Place of Special Meeting

The board of directors (or if a board does not exist, the incorporators) may designate any place within Wisconsin.

D. Notice

Written notice of the time and place of a meeting of the members shall be given personally or by mail. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her proper address, with postage prepaid.

The notice shall be given no less than seven and no more than thirty days prior to the set date. For annual meetings, the notice shall specify any proposal to change these Bylaws or the Articles of Incorporation, any attempt to change the major existing policy of the Cooperative, and any action that modifies the composition of the board of directors. The notice shall state the purpose of all special meetings.

E. Waiver

Any member may waive notice of any meeting if the waiver is in writing, signed by the person or persons entitled to such notice whether before or after the time stated in the same.

F. Facilitator

The board of directors shall appoint a facilitator to lead the meeting. The Secretary or person appointed by the board shall take the minutes of the meeting.

G. Action without a Meeting

An action which may be taken without a meeting may be taken without a meeting provided a writing describing and approving the action is signed by all the members entitled to vote.

H. Amendments

The core terms of the Bylaws and the Articles of Incorporation may be amended only if four-fifths of all the member votes present are in favor of the amendment. All other amendments may be passed by a majority of the present votes at the meeting during 2007 and by two-thirds in the subsequent years.

The notice for the meeting at which Amendments are proposed shall contain the exact words of the proposed amendment.

If approved, the amendments shall take effect ninety (90) days after the approval.

2.5 Record Date

For the purposes of determining members entitled to notice of, or to vote at, any meeting, the record date shall be set by the board of directors (or if a board does not exist, the temporary board). The record date shall be not more than thirty (30) or less than ten (10) days before the date of the meeting. If no record date is set, then the record date shall be the close of business on

the day next preceding the day on which notice is given. The set record date applies to any adjournment of the meeting, unless the board fixes a new record date under this section for the adjourned meeting.

2.6 Voting

Each member shall have one vote, except that two or more persons shall hold one single vote if they purchase a family membership. The board of directors may determine if members who have not fully complied with the conditions of membership may vote.

Members must be physically present to vote. For multiple members holding one vote, at least one of them must be present to vote. The membership is entitled to reject a vote if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt the validity of the vote.

2.7 Quorum

Quorum shall consist of ten percent of the first one hundred members and five percent of all other members, except that quorum shall never be more than fifty nor less than five or a majority of all the members, whichever is smaller.

2.8 Rules for Conducting the Meetings

Whenever possible, all decision making shall be by consensus. Except as otherwise provided in these Bylaws, each proposed action shall be limited to a discussion of one-half hour followed by a check of consensus. If a majority of the members present agree, the discussion shall be extended for another half hour. If consensus is not reached, a majority of the members present are required to approve the proposed action.

Article 3: Board of Directors

3.1 General Powers

All the lawful powers of the Cooperative shall be vested in and exercised by or under the authority of the Board of Directors, and the business and affairs of the Cooperative shall be conducted and controlled by such board.

3.2 Number, Tenure, Qualifications, Expectations, and Removal

A. Number.

The number of directors of the Cooperative shall be no greater than seven (7), but shall not be less than five (5), except that if the Cooperative shall be reduced in membership to less than fifty (50) members, the Board may be composed of three (3) members.

B. Tenure.

At each annual meeting the members shall elect Directors to hold office for a two year term.

Directors shall be elected at the annual meeting by two thirds of all the votes present.

Beginning with the 2014 annual meeting, Director terms shall be staggered by re-electing any current board members for one more year and by electing any new board members to a two-year term. Directors may not be elected for more than two (2) consecutive two-year terms, but may be re-elected if they have not sat on the Board for at least one year.

C. Qualification.

Directors must be members in good standing of the Cooperative. Nomination for Directors shall be made at least five (5) days prior to the membership meeting, and announced to the membership at least 72 hours prior. Nominations may not be made from the floor of the membership meeting, except in the case that fewer than seven (7) members have been nominated prior to the start of the meeting.

D. Expectations.

All board members are expected to take an active role in the pursuit of the Co-op's mission. The board shall establish as policy a written position description detailing the duties and responsibilities of all Directors by consensus at the first meeting of the new board after the annual membership meeting.

E. Removal.

Directors may be removed by two thirds of the votes present at annual or special meetings of the members. Directors may be removed by a majority vote of the Board for the cause of excessive absenteeism at regular monthly Board meetings. Directors may also resign at any time after giving written notice to the board of directors.

3.3 Regular Meetings

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of members. The board of directors shall provide, by resolution, the time and place for holding additional monthly meetings without other notice than such resolution. Absent any designation in the resolution, additional

regular meetings shall be held at the principal office of the Cooperative. At the monthly meetings, the Board shall review operations, the functioning of committees, and make policy decisions.

An action may be taken without a meeting if all the directors entitled to vote sign a document confirming the action taken. Such consent shall have the effect of a unanimous vote.

3.4 Special Meetings

Special meetings of the board of directors may be called by or at the request of the president or any director, and shall be held at the principal office of the Cooperative or at such other place as the Board of Directors may determine.

3.5 Role of the Board

The role of the board is to act as stewards of the Cooperative's financial sustainability plan, maintain oversight of the Cooperative's general operations, establish written policies as necessary to facilitate the Cooperative's mission, determine the terms and conditions of employment of any paid employees, and fulfill the officer positions as required by statute. The Board shall, together with the Worker Collective, establish as policy various standing committees to facilitate the mission of the Co-op.

3.6 Notice

Notice of any special meeting shall be given at least seven (7) days before the time fixed for the meeting, by written notice delivered personally or mailed to each director at his or her business address. If mailed, such notice shall be deemed to be delivered when sent. The notice shall contain the purpose of the meeting.

Any director may waive notice of any meeting if the waiver is in writing, signed by the person or persons entitled to such notice whether before or after the time stated in the same. Additionally, the attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director objects to the meeting or the transaction of any business at the meeting and does not participate or vote at the meeting.

3.7 Quorum of the Directors

A majority of the number of directors then in office shall constitute a quorum at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting without further notice.

3.8 Board Decisions

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

3.9 Vacancies

Any directorship to be filled, including by reason of an increase in the number of directors, shall be filled until the next annual member meeting by majority of the Board then in office.

3.10 Compensation

By resolution at annual member meetings, the directors' compensation shall be determined. No such payment shall preclude any director from serving the Cooperative in any other capacity and receiving compensation for such service.

Article 4: Officers

4.1 Number and Types of Officers

The officers of the Cooperative shall be:

A. President.

The president shall be the chief executive officer of the Cooperative and shall have responsibility for the general management of the business of the Cooperative, and shall see that all orders and resolutions of the board are carried into effect. The president shall have any other duties as the board of directors may prescribe.

B. Vice-president.

The vice-president, as designated by the Board of Directors or, lacking such a designation, by the president, shall in the absence or disability of the president perform the duties and exercise the powers of the president and shall perform such other duties as the board of directors may prescribe.

C. Secretary.

The secretary shall attend all meetings of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or by the president, under whose supervision the secretary shall act.

D. Treasurer.

The treasurer shall have custody of and keep account of all money, funds and property of the Cooperative, unless otherwise determined by the Board of Directors, and the treasurer shall render such accounts and present such statements to the directors and president as may be required of him or her. The treasurer shall deposit funds of the Cooperative that may come into his or her hands in such bank or banks as the Board of Directors may designate.

The offices of treasurer and secretary may be combined in one person.

4.2 Election and Term of Office

The officers of the Cooperative to be elected by the Board of Directors shall be elected annually at the first regular meeting of the Board of Directors. If the election of officers is not held at such meeting, an election shall be held as soon afterward as is convenient. Each officer shall hold office until his or her successor has been duly elected and qualified, until his or her death, or until he or she resigns or is removed in the manner provided below.

4.3 Removal

Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Cooperative would be served by such removal. The removal shall be by a unanimous vote of all the directors then in office. If a unanimous vote is impossible, the officers shall be removed by a two thirds majority of the directors in office.

4.4 Vacancies

A vacancy in any office because of death, resignation, removal, or otherwise, may be filled by the board of directors for the un-expired portion of the term.

4.5 Salaries

The board of directors shall fix the salaries of the officers from time to time, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Cooperative.

Article 5: Worker Collective

5.1 Membership.

The worker collective shall include any paid employees and is open to any volunteer who works in the store on a regular basis or who participates in any ongoing programatic or communy service activity on behalf of the Co-op.

5.2 Purpose.

The worker collective exists to empower volunteers to make decisions collectively about the day-to-day operations of the Co-op, to plan and manage ongoing programmatic or community service activities.

5.3 Committees.

The Worker Collective shall, together with the Board of Directors establish various standing committees to facilitate the mission of the Co-op.

Article 6: Indemnification of Officers, Directors, Employees, and Agents; Liability

6.1 Indemnification and Allowance of Expenses

The Cooperative may indemnify the directors or officers as provided in Wis. Stat. § 185.035. The determination of the right to indemnification shall be made by a majority vote of a quorum of the directors not at the time parties to the same proceedings. If the directors cannot or are unwilling to make the determination, then the determination shall be made by a majority vote of all the members. The Cooperative may indemnify all other employees or agents as determined by a majority vote of the quorum of the directors.

6.2 Liability Insurance

The Cooperative may purchase and maintain insurance on behalf of an individual who is a director, officer, employee, or agent of the Cooperative, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee, or agent, regardless of whether the Cooperative is allowed or required to indemnify that person or provide for expenses.

Article 7: Fiscal Year

The fiscal year of the Cooperative shall be the calendar year.

Article 8: Books and Records/Reports to Shareholders

The Cooperative shall keep correct and complete books and records of account; minutes of the proceedings of its members, directors, and executive committee; and records with the names, addresses, of all members.

The Board of Directors shall send an annual report to the members, not later than thirty (30) days after the close of the fiscal year of the Cooperative. The annual report shall include a balance sheet as of the close of the fiscal year of the Cooperative and an income statement and statement of changes in financial position for such fiscal year. The financial statements shall be prepared from and in accordance with the books and records of the Cooperative and in conformity with generally accepted accounting principles applied on a consistent basis, and shall be certified by an independent certified public accountant.

Article 9: Conflicts of Interest

No contract or other transaction between the Cooperative and one or more of its directors or any other Cooperative, firm, association or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee of the Board of Directors, which authorizes, approves or ratifies such contract or transaction or because his or her or their votes are counted for such purpose if any of the following is true:

- A. The material facts of the transaction and the director's interest were disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction.
- B. The material facts of the transaction and the director's interest were disclosed or known to the members and the members authorized, approved, or ratified the transaction.
- C. Or the transaction was fair to the Cooperative.

Article 10: Severability

If any section, clause, provision, or portion of these Bylaws is adjudged unconstitutional or invalid under any rule or regulations by a court of competent jurisdiction, the remainder of these Bylaws shall not be affected thereby.

Article 11: Construction

To the extent any provision of these Bylaws is prohibited or ineffective under the Wisconsin Cooperative Association Act, the Bylaws shall be considered amended to the smallest

degree possible in order to make the Bylaws effective under the Wisconsin Cooperative Association Act. In the event the Wisconsin Cooperative Association Act is subsequently amended or interpreted in such a way to make any provision of this Bylaws that was formerly invalid, valid, such provision shall be considered to be valid from the effective date of such interpretation or amendment.

Article 12: Member Accounts

12.1 Member Accounts

The Cooperative shall establish and maintain a Member Account for each member. Each member's account shall be increased by the amounts paid for yearly membership fees.

Each member's Membership Account shall be decreased by the amounts paid for a refund or forfeiture of membership.

12.2 Refund

If a membership is terminated or a member resigns, upon written request within thirty days, the balance of the Member Account shall be refunded to the member. The refund shall be made within the ninety days after the cessation of membership and subject to approval by the Board of Directors

12.3 Forfeiture

Forfeiture of all funds in a Membership Account shall occur as follows:

- A. No earlier than three years and no later than five years after the funds are first provided by the member, the Board of Directors declares the funds forfeited to the Cooperative unless claimed by the date specified in Paragraph B.
- B. After the declaration of Paragraph A, the Cooperative gives notice that states that the funds shall be forfeited if not claimed by a specified date that must be a business day at least sixty days after the date of mailing of the notice. The notice must be mailed to the last known address of the intended recipient and published as a Class 1 Notice under Chapter 985 on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
- C. Within one year after the date the funds are declared forfeited under Paragraph A, the Cooperative dedicates any funds remaining unclaimed after the date

specified herein to charitable purposes, as the board determines, within one year after the funds are declared forfeited.

Article 13: Finances and Apportionment and Distribution of Proceeds

- A. The Finance Committee established by the board of directors pursuant to Article 3, Section 3.5 shall monitor and plan the Cooperative's financial operations, make recommendations, and present the information and its findings to the board of directors. The Finance Committee shall organize the budget of the Cooperative and present the budget to the board of directors for deliberations.
- B. At least once annually, the Board of Directors shall determine and distribute net proceeds as follows:

From all proceeds there shall be deducted:

- A. Operating and expenses costs.
- B. The costs of supplies, commodities, equipment, and other property or services procured or sold for patrons.
- C. The cost of services performed for patrons.
- D. All taxes and other expenses.
- E. Reasonable and necessary reserves for depreciation, depletion and obsolescence of physical property, doubtful accounts and other valuation reserves, all of which shall be established according with usual and customary accounting practices.

The remainder of all proceeds shall be distributed as follows:

- A. The board of directors shall distribute the remainder to other cooperative movements, to reasonable reserves for necessary purposes, or to allocate to any losses incurred in prior years.

Article 14: Spouses, Estates and Family Members

Nothing in these Bylaws shall constitute the spouse of any deceased member as a substitute member in the operation of the Cooperative's business, nor vest in the spouse the right to examine its books or records, or to exercise any rights that normally would accrue to a member. All members who now reside or at any time have resided or shall reside in a state under the laws of which their spouses have acquired, acquire, or may acquire any rights in the

members' interest in the Cooperative, including but not limited to divorce, shall cause their spouses to execute in favor of and deliver to the Cooperative an Agreement in which the spouses shall relinquish any interest they may acquire in the Cooperative by virtue of such laws. Evidence of compliance with the provisions of this Section shall be furnished to the Cooperative. A deceased member's estate or legal representative shall not be entitled to participate in the Cooperative in any manner.

Article 15: Notices

Except as otherwise provided in these Bylaws, all notices permitted or required in these Bylaws shall be in writing and sufficient if delivered manually or deposited in the United States mail and sent to the last known address of the party to whom such notice is to be given, postage prepaid.

Article 16: Disposition of Assets

The board of directors shall not dispose of all or nearly all the assets of the Cooperative without authorization from the members prior to the disposition of assets, except in the ordinary course of business. Such authorization shall be approved by two-thirds of all members entitled to vote. Notice for such meeting shall describe the purpose of the meeting.

Article 17: Dissolution

At any member meeting, the Cooperative may dissolve if:

- A. Notice that a resolution for dissolution to be considered is included in the notice for the meeting.
- B. The resolution is approved by four-fifths of all members entitled to vote.

Article 18: Liquidation

The members shall decide if the Board of Directors or a committee designated by the members shall liquidate all the assets and pay the net proceeds to all the persons entitled to the same by law, the Articles of Incorporation, or these Bylaws.

Article 19: Seal

The Cooperative shall have a seal.

Signed _____
(date)

Prepared by:
