



Keeping It Local Since 1971

Articles of Incorporation Amendment

- Question(s) presented from Member:
 - *In regards to our Article of Incorporation, will you please clarify for me what exactly is being amended??*
 - *Item #2 below: What does the date of the "foregoing amendment" refer to? Was there a previous amendment voted on by the membership?*
 - *Item #3, referring to the 9th paragraph of Articles: How do the Articles currently read & what is being cut out to be replaced by "Ninth-the period of existence is perpetual"?*
- Responses:
 - The "foregoing" amendment refers to the amendment itself that changes the duration of the co-op to be perpetual. No, there was not a recent previous amendment that was voted upon. "Foregoing" just refers to this amendment.
 - The Ninth Paragraph of the Articles previously stated: "Ninth – The period of existence is fifty (50) years from the 1st day of September 2015."
 - With the implementation of this amendment, the co-op will not have to periodically extend the duration of the co-op's existence with additional amendments.
- Additional information:
 - The previous law only permitted cooperatives organized under the Arkansas Cooperative Associations Act to be in existence for 50-year periods (which were able to be renewed).
 - The current law permits a perpetual existence.
 - We are making this change because we believe the Co-Op will outlive us all – we love the idea of a perpetual existence of the Co-Op. Additionally, it will reduce administrative work and filing fees for the Co-Op going forward.

Bylaw Amendment

- Question Presented by Member:
 - In regards to the Bylaw amendment to section 5.2: It is not clear what is being stricken from [t]he current section and what the amended text will be. Am I correct in my interpretation that the two sentences below beginning with "No dependent, immediate family member or household member of any Director....." is being replaced with the section highlighted and that the remainder of the text presented is the current wording of section 5.2?

- Responses:
 - The last two sentences of the Current Bylaw 5.2 currently read as follows:
 - “No dependent, immediate family member or household member of any director or potential director may earn more than five hundred dollars (\$500) per year as an employee of the Cooperative. Employees are not eligible to be directors.”
 - Those last two sentences are being replaced with the following paragraph:
 - “No spouse or cohabitating partner of any director or potential director may be employed by, or serve as independent contractor for, the Cooperative. Dependent(s), immediate family member(s) or household member(s), other than a spouse or cohabitating partner, of any director or potential director may be employed by, or serve as independent contractor for, the Cooperative as long as said dependent(s), immediate family member(s), or household member(s) do not hold a management-level position at the Cooperative. For purposes of this section, a management-level position is defined as any specialist, manager, director, or any other employee or independent contractor who has supervisory or managerial authority in their role at the Cooperative. The employment of (or role as an independent contractor of) any dependent, immediate family member, or household member of any director or potential director by the Cooperative shall not create a conflict of interest, or affect the powers of, said director or potential director in any circumstance, including, but not limited to, the director or potential director’s ability to vote and take any action that may indirectly impact the employment or independent contractor status of said dependent, immediate family member, or household member of the director or potential director. Neither employees nor independent contractors are eligible to be directors.”
- Additional information:
 - The Board and management believe the current language is too broad and restrictive and has prohibited the hiring of qualified individuals. The proposed revision will allow for certain household members to be employed in certain positions by the Co-Op without creating conflicts of interest.