

**Amended Bylaws of
The Cerro Gordo Cooperative, Inc.**
Amended March 17, 2002

**Article I
Identification**

1. The name of this cooperative corporation, hereinafter referred to as the "Cooperative," shall be THE CERRO GORDO COOPERATIVE, INC.

2. The principal office shall be located on or in the vicinity of Cerro Gordo Ranch, Dorena Lake, Cottage Grove, County of Lane, Oregon, at such address as the Board of Directors may determine.

3. The purposes for which this cooperative corporation is formed are to acquire, hold and maintain on a non-profit basis real and personal property on Cerro Gordo Ranch (35401 Row River Road, Cottage Grove, Oregon) hereinafter called the "Ranch," on which the members, acting through the Cooperative, can foster an ecological and humanistic community for their own residency and common use, subject to a Community Plan and covenants, conditions and restrictions approved by the Design Committee; and to engage in such other related activities on a non-profit basis for which cooperatives may be organized under ORS Chapter 62.

4. To further the purposes of the Cooperative, the Cooperative has adopted the Cerro Gordo Charter, hereinafter referred to as the "Charter," being that document dated and recorded August 1, 1977, Reception Number 7747676 Lane County Deed Records, and as may be amended from time to time, setting forth the covenants, conditions and restrictions under which property on the Ranch shall be developed and maintained.

5. Canfield Associates, Oreg. Ltd., or its assignee, if any, is hereinafter referred to as the "Community Developer." The Community Developer owns interests in undeveloped portions of the Ranch and plans to develop the Ranch in accordance with provisions of the Charter and the Community Plan approved by the Design Committee.

**Article II
Membership**

1. General. Membership shall be required of and limited to the following:

- a. All individuals (natural persons) 18 years of age and older taking permanent residency on property subjected to the Charter, as per Section 2 of the Charter. Any individual residing on such property shall be considered to have established permanent residency upon maintaining residency on such property for one year, or after living at Cerro Gordo for thirty days by written intent to establish permanent residency and by paying the membership fee.

- b. All owners of record of real property subjected to the Charter, as per Section 2 of the Charter, which is designated as Cluster Private Area under the Charter; except membership for organizations which own such property shall be limited as follows:
 - i. Organizations are defined as non-natural persons, investment groups (six or more persons) or groups of fewer than six persons who elect to be defined as investment groups.
 - ii. Any such organization shall be limited to one membership for the organization, unless any director or principal of the organization is a member of the Cooperative as an individual, in which case the organization shall not be entitled to membership.
 - iii. Organizations which are members shall designate an individual to represent the organization to the Cooperative.
2. Exemptions. Persons meeting membership requirements who also meet one or more of the following conditions are exempted from membership requirements:
 - a. Visitors. Visitors (staying less than one month) and persons in temporary residency (less than one year) are exempt from membership.
 - b. Children of members. Members' children of age 18 and older, for whom a place of residence is maintained by their parent(s) or legal guardian(s), and who are not in residency more than five (5) months per year may request to be exempted from membership.
 - c. Dependents of members. A member may request that his/her dependent resident relative be exempted from membership.
3. Member Responsibilities. By accepting any ownership of or by taking permanent residency on property subjected to the Charter, the member will be deemed to have agreed that he or she has attained an adequate understanding of the Cooperative's Bylaws and the Cerro Gordo Charter and agrees to abide by decisions made thereunder.
4. Nondiscrimination. Membership shall not be denied to any person on the basis of race, national origin, political opinion, religious belief, sexual orientation, gender or age if over 18.
5. Termination. Membership shall be terminated at the time of discontinuance of permanent residency or ownership as defined in paragraph 1 of this article.
6. Reinstatement. Membership shall be reinstated at any time the former member again meets the requirements of these Bylaws. A new membership fee shall not be required for reinstatement.
7. Membership roster. The Board shall maintain a current roster of members.

Article III Financial Obligations

1. Membership Fee.

(a) Each member shall be assessed a one-time membership fee of \$500, payable at the time of taking membership.

(b) The membership fee is not refundable, transferable or assignable.

(c) The membership fee shall be waived for members being reinstated as provided under these bylaws.

2. Capital Stock.

(a) Each member shall, upon acceptance of membership, purchase and hold for the duration of his/her membership such number of shares of capital stock as shall be required from time to time by vote of the Cooperative.

(b) Shares of capital stock shall be issued for such consideration expressed in dollars as may be fixed for such shares by the Board of Directors with the required approval of the members.

3. Operating Costs.

(a) The Board of Directors shall, with the required approval of the members, establish at least annually the amount of operating assessments payable to the Cooperative to support office and other administrative costs, and costs of maintenance of community land and facilities, and the procedure for paying such assessments. New members during any year will be liable for such assessments on a pro-rated basis from the first of the month in which membership is taken.

(b) The Board of Directors shall, with the required approval of the members, establish from time to time user fees, including method of payment, for community systems (e.g., utilities, transportation) owned by the Cooperative, the use of which is measurable and where the extent of use is controllable by the members.

(c) The Board of Directors shall, at its sole discretion, levy such assessments as shall be necessary to maintain rights-of-way, water and sewage treatment, fire protection, and similar facilities according to applicable governmental health and safety standards, and to meet other governmental requirements.

(d) The Board of Directors shall, at its discretion, establish or approve prices for products and services offered by the Cooperative to the members, to be purchased by the members at their individual discretion, the net income from which is subject to patronage refunds to the purchasing members.

(e) After approval by the members of operating costs, fees, assessments and capital stock prices as part of an annual budget, the Board of Directors shall have the authority to

provide for operations of the Cooperative at their discretion, within that budget, including authorizing all expenditures and payment of vouchers.

4. Net Proceeds and Savings.

(a) Consistent with the cooperative spirit, it is the intention of the Cooperative to function on a non-profit basis, providing services and products to its members at no more than cost. Accordingly, the net proceeds or savings on patronage of the Cooperative by its members shall be apportioned and distributed among those members in accordance with the ratio which each member's patronage during the period involved bears to total patronage by all members during that period.

(b) While the Cooperative is organized primarily to provide services and products to its members, it may from time to time engage in transactions with nonmembers. The net proceeds or savings of the Cooperative from other than patronage by the members shall not inure to the benefit of any individual members but shall be retained by the Cooperative and used for such purposes as shall be determined by the Board of Directors, with the required approval of the members, as being in the best interests of the Cooperative as a whole.

(c) Net proceeds or savings shall be distributed or paid to members, either in cash or credits, or other notices of credit, within 120 days after the end of the fiscal year.

(d) The net losses of the Cooperative shall be apportioned and charged to the members in whatever manner the Board of Directors shall determine with the required approval of the members as part of the Annual Budget.

Article IV Meetings

1. An annual meeting of members shall be held in each year in September for the purpose of electing directors and to transact such other business as may properly come before the meeting.

2. Special member meetings may be called by the President or the Board of Directors; or by the Secretary upon the filing of a petition stating the business to be brought before the meeting signed by not less than 10% of the members of the Cooperative.

3. Written or printed notice, stating the place, day and hour, and in the case of a special meeting the purposes for which the meeting is called, shall be given to each member (and each shareholder if shareholders are entitled to vote at such meeting) either personally or by mail not less than seven or more than 30 days before the meeting by direction of the person calling the meeting. If mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the member or shareholder at his address as it appears on the records of the Cooperative with postage thereon prepaid.

Article V Voting

1. At any member meeting, each member shall have one vote on each matter submitted to a vote of the members.

2. The Board of Directors shall submit by mail ballot any question to be voted on by the members, including the election of directors. The Secretary shall mail to each member along with the notice of the meeting, the ballot on each such question and a voting envelope. The ballot may be cast only in a sealed envelope which is authenticated by the member's signature.

3. The Board of Directors shall have no authority to take action regarding the following issues without the prior approval of the members:

(a) Adopting an Annual Budget, financing plan, adjustment of capital stock value, user fees for community systems and operating assessments, including method of payment of fees and assessments, except as authorized by Article III, Section 3(c) and 3(d);

(b) Selling, transferring or encumbering any real property owned by the Cooperative;

(c) Adopting, amending or repealing Cerro Gordo Rules, these Bylaws, the Cooperative's Articles of Incorporation, the Charter or the Cerro Gordo Community Plan;

(d) Entering into, amending or repealing community development agreements or contracts to acquire or construct community facilities or systems;

(e) Initiating or acquiring a commercial activity.

4. Whenever an issue requiring approval of the members is under consideration, the Board of Directors shall call a special meeting of the members for the purpose of presenting the issue and receiving comments on the issue from members. Such meeting shall be held at least two weeks prior to the deadline for submitting ballots on the issue under consideration.

5. Those members present at any annual or special meeting of the Cooperative shall constitute a quorum at that meeting.

6. Any issue put to a formal vote of the members shall required an affirmative vote of two-thirds (2/3) of the members voting in order to pass.

Article VI Board of Directors

1. The business and affairs of the Cooperative shall be managed by a Board of Directors which is responsible to the members. Each director shall at all times during his/her term of office be a member of the Cooperative. Directors shall serve without compensation.

2. The Board of Directors shall be composed of three (3) natural persons.

3. Each director shall hold office for a term of three (3) years.
4. Directors shall have staggered terms of office so that at least one director shall be elected in any year.
5. A director takes office immediately upon election and, subject to resignation or removal, shall hold office for the term for which elected and until his/her successor takes office.
6. A director may be removed upon a majority of all members voting if at least two weeks prior to the vote written reasons for removal of the director are presented at a meeting of members and the director whose removal is sought has had an opportunity to answer such reasons at that meeting. The written statements of reasons for removal shall be filed with the minutes of the meeting.
7. Any vacancy occurring in the Board of Directors shall be filled by a vote of the members or, at the discretion of the remaining directors, at the next annual meeting. The director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.
8. The Board of Directors shall appoint an elections committee prior to each election of directors. The elections committee shall solicit nominations from the entire membership, shall publish names and personal statements of all candidates, and shall otherwise be responsible for conducting the election in accordance with these bylaws.
9. The voting procedure for election of directors shall be conducted by mail ballot as follows: Each member shall rank order all candidates for directors, with a member's first choice candidate receiving a number one ranking. A ballot which does not include all candidates in the ranking shall still be valid. In the first tabulation, all first choice rankings shall count as one vote. The candidate who receives the fewest votes as a result of the first tabulation shall be eliminated, and all members who indicated that candidate as a first choice shall have their votes redistributed to their second choice candidates. The votes shall again be tallied and subsequent eliminations made in a similar manner. If any member's highest choice candidate is subsequently eliminated, the next highest choice candidate on that member's ballot who has not yet been eliminated shall receive the vote of that member. Redistribution of votes shall continue until the number of candidates remaining is equal to the number of positions to be filled, and those candidates remaining shall be elected. If a vacancy is also being filled at an annual election, redistribution of votes shall continue in order to determine which candidates are elected to full terms, assigning the shortest term to the first elected candidate to be eliminated.
10. No members shall be elected to the Board of Directors for more than two (2) consecutive terms. A director whose initial term is less than three years may only be reelected for one additional consecutive term. A director who has served two consecutive terms must wait one full year before again becoming a candidate for the Board of Directors.
11. The Board of Directors shall have the authority to manage the business, property and affairs of this Cooperative, subject only to the limitations of Article V Section 3 of these bylaws. The Board of Directors may engage the services of a manager and such other employees as deemed necessary for the operation of the Cooperative within funding authorized by the Annual

Budget approved by the members. The Board of Directors may in its discretion delegate any of its powers and duties, or any powers and duties of any officer, to any other officer, director or employee. The Board shall adopt policies and procedures for the management of the Cooperative's affairs and property in accordance with the provisions of the Charter and the Community Plan.

12. Two members of the Board of Directors present at a meeting shall constitute a quorum for the transaction of business.

13. The act of at least two of the directors present at a meeting where there is a quorum shall be the act of the Board of Directors.

14. Any action required to be taken at a meeting of the directors, or any action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote at a meeting.

Article VII Meetings of the Board of Directors

1. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members. Additional regular meetings of the Board of Directors may be scheduled by resolution of the Board.

2. Special meetings may be called at the request of any director. Notice of any special meeting shall be given at least 24 hours prior to such meeting. Attendance of a director at a meeting shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3. The Board of Directors shall give reasonable notice to the members whenever possible of the time and place of meetings of the Board.

4. Except for executive sessions, all meetings of the Board of Directors shall be open for attendance of all members.

Article VIII Officers

1. The officers of this Cooperative shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers the Board of Directors may appoint from time to time.

2. The President and the Vice President shall be members of the Board.

3. The offices of Secretary and Treasurer may be held by the same person.

4. Officers shall be elected annually at the annual meeting of the Board of Directors. Any officer may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby.

5. The President shall preside at all meetings of the Board of Directors and all member meetings; shall have general supervision, direction and control of the business and affairs of the Cooperative; shall have the general powers and duties of management usually vested in the office of President of a corporation; and shall have such other powers and duties as may be prescribed by the Board of directors or the bylaws.

6. The Vice President shall perform such duties as the Board of Directors shall prescribe, and shall perform the duties and powers of the President in the absence or disability of the President.

7. The Secretary shall keep or cause to be kept at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings of directors showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present and the proceedings thereof. The Secretary shall also keep or cause to be kept a similar record of all member meetings. The Secretary shall give or cause to be given such notice of the meetings of the members and the Board of Directors as is required by these bylaws, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws. The Secretary shall distribute timely membership and Board meeting minutes or reports to the members in accordance with policies and procedures adopted by the Board.

8. The Treasurer shall be responsible for the funds of the Cooperative and pay them out only on the check of the Cooperative signed in the manner authorized by the Board of Directors. The Treasurer shall be responsible for maintaining the Cooperative's books, records and accounts as specified in Article X of these bylaws. The Treasurer shall distribute timely financial reports to the members in accordance with policies and procedures adopted by the Board.

Article IX Design Committee

1. The Design Committee shall have authority to initiate and approve any amendments to the Charter and the Cerro Gordo Community Plan.

2. The Design Committee shall consist of three members who shall be appointed in the following manner: To the extent that developed homesites which have been made subject to the Charter by Declaration shall constitute one-third, two-thirds or all of the total potential homesites authorized by applicable zoning within the Ranch, the Board of Directors shall appoint one, two three of the members of the Design Committee, as the case may be, with remaining members, if any to be appointed by the Community Developer.

3. Members of the Design Committee shall be appointed annually at the annual meeting of the Board of Directors and within 30 days of any event that causes a change in membership of the Design Committee under the provisions of Section 2 of this Article. Any Design Committee

member may be replaced by his/her appointor when in the appointor's judgment the best interests of the Cerro Gordo Community will be served thereby.

4. The Design Committee shall exercise any other functions for which it is given responsibility by the Charter and by any Declaration.

5. Any two members of the Design Committee shall constitute a quorum. The Committee shall render its decisions only by written instrument setting forth the action taken by the members consenting thereto. The act of any two members present at a meeting where there is a quorum shall constitute the action of the Committee.

Article X Corporate Records and Reports

1. The Cooperative shall maintain adequate and correct books, records and accounts of its business and properties. All of such books, records, and accounts shall be kept at its place of business as fixed by the Board of Directors from time to time, except as otherwise provided by law.

2. All books, records and accounts of the Cooperative shall be open to the inspection of the members and shareholders in the manner and to the extent required by law.

3. The fiscal year of the Cooperative shall end on September 30 of each year.

4. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Cooperative, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

5. The Board of Directors may, except as otherwise provided in the bylaws, authorize any office or agent to enter into any contract or execute any instruments in the name of and on behalf of the Cooperative. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no director, officer, agent or employee shall have any power or authority to bind the Cooperative by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount. When the execution of any contract, conveyance or instrument has been authorized but authority to execute such instrument has not been delegated, the President and Secretary may execute such instrument.

Article XI Capital Stock

1. Capital stock authorized by the Articles of Incorporation shall be issued solely to members of the Cooperative. Purchase of capital stock of the Cooperative is solely for the purpose of obtaining residency on property subject to the Cerro Gordo Charter and all the rights and privileges pertaining thereto. Holders of capital stock of the Cooperative shall not receive dividends on such stock, and shall not be entitled to vote as shareholders except as provided in ORS Chapter 62 on matters affecting the rights and privileges of their class of capital stock, and on liquidation of the entire assets of the Cooperative. Shares of capital stock may not be

transferred, except with the approval of the Board of Directors, and may not be bequeathed or devised separately from an ownership interest in the related property subject to the Charter. Upon termination of membership, the shares of the former member shall be redeemed by the Cooperative at the price and in such manner as shall be established by the Cooperative for such shares of stock. Approved transfers shall likewise be at the established price.

2. Certificates for shares shall be in such form as the Board of Directors may designate, shall designate the state law under which the corporation is organized, shall state the name of the record holder of the shares represented thereby, the number of the certificate, the date of issuance, the number of shares for which it is issued, the par value of such shares, if any, or that such shares are without par value, the rights, privileges, preferences and restrictions of the stock, if any, the provisions as to redemption or conversion if any, and shall make reference to any liens or restrictions upon transfer or voting.

3. Every certificate for shares must be signed by the President or Vice President, and the Secretary or an Assistant Secretary or, if the certificate is countersigned by a transfer agent or registered by a registrar other than the corporation itself or an employee of the corporation, may be authenticated by facsimiles of the signatures of such officers.

4. Upon surrender to the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

5. In the event a certificate is represented to be lost, stolen or destroyed, a new certificate shall be issued in place thereof upon such proof of the loss, theft or destruction and upon giving of such bond or other security as may be required by the Board of Directors.

6. The Board of Directors may from time to time appoint one or more transfer agents and one or more registrars for the shares of the corporation who shall have such powers and duties as the Board of Directors shall specify.

7. The Board of Directors may close the transfer books for a period not exceeding 50 days or less than 10 days preceding any annual or special meeting of the shareholders.

Article XII General Provisions

1. Amendments to the Articles of Incorporation and these Bylaws must be approved by two-thirds (2/3) of the members voting at a duly called member meeting for that purpose. Whenever an amendment or new bylaw is adopted, it shall be copied in the minute book with the original bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal and the date on which the repeal occurred shall be stated in such book and place.

2. Whenever any notice to any shareholder or member or director is required by law, the articles of incorporation or the bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of notice.