

**BY-LAWS of the SYRACUSE REAL FOOD COOPERATIVE, INC.**

**I. GENERAL PROVISIONS**

*A. Name.* The name of this corporation is the **Syracuse Real Food Cooperative, Inc.** (the "Cooperative"), an entity that is incorporated as a general cooperative corporation under Article II of the Cooperative Corporations Law of the State of New York (the "Cooperative Law"). The Cooperative may at times conduct business under the name Syracuse Cooperative Market. The principal office of the Cooperative shall be in the City of Syracuse, County of Onondaga, and State of New York.

*B. Purposes.* The purpose of the Cooperative is to acquire and distribute food and related goods and services on a cooperative basis for the benefit of its member-owners.

*C. Cooperative Values and Vision.* A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. Cooperators share a vision of a better society based on cooperative principles – a vision that someday the whole world becomes a cooperative. Cooperators share a commitment to building an economy and society that is just, sustainable and democratic. As such the Cooperative will strive to educate our local community in the value of cooperative principles and enterprises. Together we hope to inspire others through co-operation and to share cooperatives with people in our community and around the world so that everybody has the opportunity to be a member of a cooperative.

**II. MEMBERSHIP**

*A. Eligibility and Acceptance.* Any person, firm, cooperative, not-for-profit corporation or corporation (each, a "Person") may, as provided below, become a member of the Cooperative. The Cooperative shall not discriminate on social or political grounds, or on the basis of gender, age, ethnicity, racial category, sexual orientation, marital status, ability, national origin, creed or political affiliation. A Person may become a member of the Cooperative by:

- (i) Filing with the Cooperative an application for membership in such form and containing such terms as shall be from time to time determined by the Board of Directors (the "Board"). Included in the application shall be a statement that the applicant agrees to comply with and be bound by the terms and conditions contained in the Cooperative's Certificate of Incorporation, as amended from time to time (the "Certificate of Incorporation") and in these By-laws, as amended from time to time (the "By-laws");
- (ii) Tendering to the Cooperative a membership fee in such amount as may be established by the Cooperative's Board of Directors from time to time;
- (iii) Being approved for membership by the Cooperative's Board of Directors;
- (iv) Receiving from this Cooperative written notification and a copy of the By-laws providing for consent to take patronage distributions received from the Cooperative into income

in the manner provided in 26 U.S. Code §1385(a);

- (v) Making any Capital Contribution that may be required of the Cooperative's members; and
- (vi) Meeting such other membership criteria or requirements as may be established from time to time by the Cooperative's Board of Directors.

*B. Termination; Consequences of Membership Termination*

(i) Membership may be terminated voluntarily by a member upon notice to the Cooperative. Membership shall terminate automatically if a member (1) who is an individual shall die, (2) who is not an individual shall cease to exist and leaves no successor, or (3) becomes ineligible for membership for any reason.

(ii) A member whose actions are deemed in violation of the Articles of Incorporation, By-laws, or rules of the Cooperative, or whose actions interfere with the operations of the Cooperative, may be suspended or expelled by a two-thirds (2/3) vote of the Board of Directors, provided that the Board of Directors has provided written notice of the reason for such suspension or termination to the member and the member is afforded a reasonable opportunity, not to exceed thirty (30) days, to respond to such notice. An expelled or suspended member retains all rights of response and appeal. Appeal can be made to the Board of Directors and ultimately to the General Membership at the Annual Meeting.

(iii) Upon termination of membership, regardless of reason for termination, all of the terminated member's membership rights and interests in the Cooperative shall cease, except for rights to redemption of the terminated member's Capital Contribution, if any, pursuant to these By-laws.

*C. Rights.*

- (i) Each member in good standing shall have one (1) vote in the affairs of the Cooperative.
- (ii) Each member in good standing shall be eligible for other benefits available generally to members as may be offered by the Cooperative from time to time.
- (iii) Members retain the right to due process, to dissent and to free effective speech, and do not forfeit any civil rights by joining the Cooperative. In the exercise of their rights, members have the responsibility not to interfere with the operations of the Cooperative or the rights of others. The Board of Directors may establish guidelines to optimize members' rights.
- (iv) The Membership owns the Cooperative and has the right to control the Cooperative through participatory democracy. The members retain the right to elect the Board of Directors, to recall any official as provided in these By-laws, and to shape the Cooperative's position and actions in regard to important social issues.

**III. MEETINGS OF MEMBERS**

*A. Annual Meeting.*

- (i) One (1) annual meeting per annum of the members of this Cooperative shall be held at the principal place of business of the Cooperative or at any other place conveniently located within the area served by it at such time as the Board of Directors shall determine. The annual meeting will be scheduled within six (6) months after the close of the fiscal year.
- (ii) A written report, including a balance sheet showing the true assets and liabilities

of the Cooperative and an operating statement for the fiscal period under review, shall be submitted to the annual meeting of the Cooperative.

*B. Special Meetings.* Special meetings of the members of the Cooperative shall be called when a majority of Directors, or five (5) percent of the members, or seventy-five (75) members, whichever is less, submit a petition in writing to request a special membership meeting. The special membership meeting shall be called by the Board of Directors within thirty days of receipt of the meeting request.

*C. Notice.* Written notice of every regular and special meeting of members shall be prepared and sent to each member via email. If members have not provided the Cooperative with an email address, notice shall be provided to those members via a postal mailing to those members' last known post office addresses. Notice shall additionally be posted prominently at all Cooperative locations, no fewer than ten (10) or more than sixty (60) days before such meeting. Such notice shall state the nature of the business expected to be conducted and the time and place of the meeting. No business shall be transacted at any special meeting other than that referred to in the notice.

*D. Voting.*

(i) Each member shall have one (1) vote only upon any matter submitted to a vote of the members. In the case of any member that is not an individual, such member shall designate in writing an individual to act on the member's behalf in conducting the affairs of this Cooperative. That designation shall remain in effect until written notice of a properly authorized change in the designated individual shall be received by the Cooperative.

(ii) Voting shall take place in a manner authorized by the Board of Directors. Voting to elect Directors shall commence no later than twenty-four (24) hours following the annual General Membership Meeting and shall continue for a period of 30 days immediately following said Meeting. Members shall be allowed to vote until the close of the voting period as set by the Board of Directors.

(iii) There shall be no proxy voting.

(iv) Unless otherwise stated in the Certificate of Incorporation, or these By-laws, or required by applicable law, all questions shall be decided by a vote of a majority of the members voting thereon, and each member shall be entitled to only one vote.

*E. Quorum.* At any regular or special meeting of the members, a quorum necessary for the transaction of business shall be at least one hundred (100) members or ten (10) percent of the total number of members of the Cooperative, whichever is lower. Only members in actual attendance at the meeting shall count towards a quorum.

*F. Order of Business.* The order of business at the Annual Meeting, and, where applicable, at all other meetings of the members shall be:

- (i) Determination of quorum.
- (ii) Proof of due notice of meeting.
- (iii) Reading and disposition of minutes.
- (iv) Annual reports of officers and committees.
- (v) Unfinished business.

- (vi) New business.
- (vii) Introduction of slate of potential directors.
- (viii) Adjournment.

#### IV. BOARD OF DIRECTORS

*A. Number, Eligibility.* The Cooperative shall have a Board of Directors of nine (9) Directors, each of whom shall be a member of the cooperative in good standing, or, for those members who are not natural persons, a designated representative of such member. The number of Directors may be changed to an odd number of Directors not fewer than five (5) nor more than twelve (12) by resolution of the Board of Directors. No reduction in the number of Directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these By-laws. A copy of the resolution of the Board of Directors covering any increase or decrease in the number of Directors must be filed with the official copy of the By-laws of the Cooperative. Paid employees and spouses or domestic partners of paid employees may not serve as Directors. A person with a conflict of interest so continuing and pervasive that that person is unable to effectively fulfill the responsibilities of a Director with the Cooperative shall not be qualified to serve as a Director.

*B. Terms, Limits.* Directors will be elected for three (3) year terms. Directors shall begin their elected terms at the first Board meeting following the certification of voting results. Terms of office shall be so staggered that one-third (1/3) shall expire in each year. Directors shall hold office until their successors are elected.

*C. Termination.* The term of office of a Director may be terminated prior to its expiration in any of the following ways: (i) voluntarily by a Director upon notice to the Cooperative; (ii) automatically upon termination of membership in the Cooperative; (iii) by action at a meeting of members whenever the best interests of the Cooperative would thereby be served; and (iv) for cause by the members in accordance with Section 63 of the Cooperative Law.

*D. Vacancies.* Any vacancy among Directors elected by the members may be filled by appointment by the Board of Directors. A Director so appointed shall act as Director and shall serve until the next annual meeting, at which the members shall elect a Director to complete the pertinent term.

*E. Compensation of the Board of Directors shall be determined by resolution of the Board of Directors.* A report shall be made at the annual membership meeting regarding the amount of compensation paid to Directors in the current year and the amount proposed to be paid for the upcoming year. The value of such compensation shall not exceed \$2,000.00 per year for each Director. Officers and Directors shall also be entitled to reimbursement for actual expenses incurred in attending Board of Directors meetings or other business of the Cooperative. Such expense claims shall be approved by a majority of the Board of Directors.

*F. Contracts for Profit.* During their terms of office, Directors shall not be a party to any contracts for profit with the Cooperative which in substance shall differ in any way from similar

contracts by it with members or with others, or which shall vary from terms generally current among members.

*G. Conflict of Interest.* Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board of Directors. Directors having such an interest may not participate in the discussion or decision of the matter. A transaction in which a Director has an interest shall be prohibited unless the transaction is fair to the Cooperative and is approved by no less than a two-thirds (2/3) majority of all disinterested Directors.

*H. Powers and Duties.* The business and affairs of the Cooperative shall be managed under the direction of the Board of Directors. The Board of Directors shall make all necessary rules and regulations not inconsistent with law or with these By-laws. The Board of Directors shall have power to hire, oversee, and dismiss a General Manager to coordinate and facilitate the daily functioning of the Cooperative.

*I. Limitation on Director Liability.* No Directors of the Cooperative shall be liable personally to the Cooperative or to any of the Cooperative's members for damages for any breach of duty in their capacity as Directors, provided that this provision shall not eliminate or limit the liability of any Director if a judgment or other final adjudication adverse to the Director establishes that Director's actions or omissions (i) were in bad faith; (ii) involved intentional misconduct or a knowing violation of law; (iii) resulted in the Director personally gaining in fact a financial profit or other advantage to which the Director was not legally entitled; or (iv) violated Section 719 of the New York Business Corporation Law, as amended, or any successor statute.

*J. Indemnification of Directors.* The Cooperative shall indemnify each Director, Officer, or Manager of this Cooperative, and any person serving at the request of the Cooperative as a director, officer, or manager of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred to the greatest extent to which such Officers, Directors or Managers of the Cooperative may be indemnified under the New York Business Corporation Law, as amended, or any successor statute.

*K. Insurance Regarding Directors.* The Cooperative shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Manager, employee, or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, manager, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted and incurred in any capacity.

*L. Committees.* The Board of Directors may establish and dissolve standing and ad hoc committees.

*M. Election.* All directors shall be elected by secret ballot, and the candidate(s) receiving the greatest number of votes shall be elected.

## **V. MEETINGS OF THE BOARD OF DIRECTORS**

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*A. Meetings.* Regular meetings of the Board of Directors shall be held at least quarterly, at such times and places as the Board of Directors may determine. The Board of Directors shall meet within thirty (30) days after the conclusion of voting for new members of the Board of Directors.

*B. Action without a Meeting.* Decisions of the Board of Directors may be made without a meeting if consent in writing, stating the action to be taken, is given by all of the Directors of the Cooperative who would be eligible to attend and vote at a regular meeting of the Board of Directors. Written consent shall be included in the minutes of the next Board meeting immediately following when consent is given.

*C. Action by Conference Call, Etc.* Action of the Board of Directors may be taken by participation in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time; participation by such means shall constitute presence in person at the meeting.

*D. Special Meetings.* A special meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Each call for a special meeting shall be in writing, shall be signed by the person or persons calling the meeting, shall be addressed and delivered to the Secretary, and shall state the time and place of such meeting. Only the business specified in the written notice shall be transacted at a special meeting.

*E. Notification.* Notice of each meeting of the Board of Directors shall be given each Director by, or under the supervision of, the Secretary of the Cooperative not less than forty-eight (48) hours prior to the time of meeting. Notice may be waived by any Director, and appearance at a meeting shall constitute a waiver of notice.

*F. Quorum.* A majority of the Board of Directors shall constitute a quorum at any meeting of the Board of Directors.

*G. Attendance.* If a Director is absent from three (3) consecutive meetings or is absent from four (4) meetings in a calendar year, unless excused by the Board for good cause, the Director's seat may be declared vacant by an affirmative vote of a majority of the Board of Directors.

## **VI. OFFICERS**

*A. Designation of Officers.* At the first meeting following the annual meeting of members, the Board of Directors shall elect a President, Vice President, Secretary, and Treasurer from among the Directors, and may, in their discretion, combine the office of Secretary and Treasurer. All such Officers shall hold office for a term of one year, or until their successors have been elected and qualified. Such Officers shall serve at the will of the Board of Directors and may be removed by the Board of Directors and successors elected at any Board of Directors meeting.

*B. Duties of President.* The President shall (1) preside over all meetings of the Cooperative and of the Board of Directors; (2) call special meetings of the Board of Directors; (3) perform all acts

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and duties usually performed by an executive and presiding officer; and (4) sign all membership certificates and such other papers of the Cooperative as the President may be authorized or directed to sign by the Board of Directors; provided, however, that the Board of Directors may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the Cooperative. The President shall perform such other duties as may be prescribed by the Board of Directors.

*C. Duties of Vice President.* In the absence or disability of the President, the Vice President shall perform the duties of the President.

*D. Duties of Secretary.* The Secretary shall keep a complete record of all meetings of the Cooperative and of the Board of Directors and shall have general charge and supervision of the books and records of the Cooperative. The Secretary shall sign all membership certificates with the President and such other papers pertaining to the Cooperative as the Secretary may be authorized or directed to sign by the Board of Directors. The Secretary shall serve all notices required by law and by these By-laws and shall make a full report of all matters and business pertaining to the Secretary's office to the members at the annual meeting. The Secretary shall keep the corporate seal and affix it to all papers requiring a seal. The Secretary shall keep complete membership records. The Secretary shall make all reports required by law and shall perform such other duties as may be required of the Secretary by the Cooperative or the Board of Directors.

*E. Duties of Treasurer.* The Treasurer shall perform such duties with respect to the finances of the Cooperative as may be prescribed by the Board of Directors.

## **VII. MEMBER CAPITAL CONTRIBUTIONS**

*A. Required Capital Contribution.* For the reasonable capital needs of the Cooperative, members shall make Capital Contributions in amounts and at times determined by the Board of Directors.

*B. Form of Capital Contributions.* Capital Contributions shall be made by means of cash, check, and any other methods approved by the Board of Directors. Capital Contributions may be made by means of a payment plan as determined by the Board of Directors.

*C. Waivers and Deferrals.* Capital Contributions may be waived or deferred in whole or in part by the Board on any reasonable basis. Required Capital Contributions and any available waivers or deferrals shall be applied equitably among members.

*D. Dividends.* Capital Contributions shall be entitled to no dividend or other monetary return.

*E. Transferal.* Capital Contributions may not be transferred or pledged as collateral.

*F. Redemption.* Upon request following termination of membership, Capital Contributions shall be redeemed when replacement capital is provided by other members. Capital Contributions shall be redeemable at the lesser of their carrying value on the books of the Cooperative or their net book value less a reasonable processing fee, if any, as determined by the Board. Redemption

proceeds shall be subject to offset by amounts due and payable to the Cooperative by the member. No redemption shall be made when such payment would impair the ability of the Cooperative to meet its other obligations as they become due or would impair the claims of instruments having a higher priority than Capital Contributions. Reapplications for membership after full or partial redemption shall be subject to full repayment of redemption proceeds.

## **VIII. INVESTMENT SHARES**

*A. Non-voting Preferred Shares.* The Board of Directors may authorize the issuance of optional, non-voting preferred shares ("Investment Shares"), upon such terms as determined by the Board in compliance with the Certificate of Incorporation, these By-laws and the law.

*B. Eligibility.* Only members in good standing may be holders of Investment Shares.

*C. Priority.* Investment Shares shall accrue dividends as established by the Board of Directors within the limits set forth in the Cooperative Corporations Law and shall have preference over common shares in the net earnings of the Cooperative and in its net assets upon final liquidation or dissolution.

*D. Transferal.* Investment Shares shall be non-transferable.

*E. No Influence on Cooperative Governance or Operation.* Other than the above-mentioned, Investment Shares shall not confer upon their holders any additional votes, authority, or privileges than those available to holders of common shares. No member-investor shall have more say than any other member.

*F. Redemption.* The Board of Directors, at its option, may redeem, at any time, Investment Shares issued to members, in whole or in part, upon written notice to the holder of said shares and in accordance with the prospectus governing said shares. Members who hold Investment Shares shall sell said shares back to the Cooperative in accordance with the prospectus governing said shares.

## **IX. BORROWING**

*A. Authority.* The Board of Directors has authority to borrow on behalf of the Cooperative.

*B. Member Loans.* The Cooperative may borrow from its members.

*C. Other Borrowing.* The Cooperative may borrow from other persons or entities.

## **X. FISCAL MATTERS**

*A. Fiscal Year.* The Fiscal Year of the Cooperative shall be determined by a majority vote of the Board of Directors.

*B. Annual Audit and Report.* The operations of the Cooperative for each fiscal year shall be audited by an experienced bookkeeper or accountant or firm of accountants not otherwise regularly employed by the Cooperative. A written report of the audit, including a statement of services rendered by the Cooperative, with total amount of business transacted, balance sheet, and income and expense statement, shall be submitted to the annual meeting of members, and shall at all times be available for inspection by any member.

## **XI. OPERATIONS ON A COOPERATIVE BASIS**

The Cooperative shall be operated on a cooperative basis. Each transaction between the Cooperative and each member shall be subject to and shall include as part of its terms the provisions of the Certificate of Incorporation and the By-laws of the Cooperative. Upon doing business with the Cooperative, each member shall be entitled to the net savings or patronage proceeds, in the manner provided in these By-laws, that may arise out of the patronage transactions of such member with the Cooperative.

## **XII. PROCEEDS AND DISPOSITION OF PROCEEDS**

*A. Operation at Cost.* The Cooperative shall at all times be operated on a cooperative service-at-cost basis for the mutual benefit of its members. No interest or dividends shall be paid by the Cooperative on any capital furnished by its members pursuant to this Article XI.

### *B. Refunds and Patrons' Capital.*

(i) In its business with or for members, the Cooperative's operations shall be so conducted that all active members will through their patronage furnish capital for the Cooperative. To assure that the Cooperative will operate on a service-at-cost basis, the Cooperative is obligated to account on a patronage basis to all of its members for all amounts received from the business done with such member in excess of operating costs and expenses ("Net Savings"), provided, however, that the Board of Directors retains the right to reduce Net Savings by the amount of such reasonable reserves as it determines for the necessary business purposes of the Cooperative.

(ii) The Cooperative is obligated to make payments of all Net Savings in cash refunds or by credits to a capital account (whether or not reflected in allocation certificates or other evidences of allocation) for each member as determined by the Board of Directors, and in accordance with Subchapter T of the U.S. Internal Revenue Code. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. The Cooperative shall within 8 ½ months after the close of the fiscal year notify each member or patron, in the form of a written notice of allocation, as defined in 26 U.S. Code § 1388, of the amount of capital so credited to each member's account.

(iii) All other amounts, such as interest or amounts from non-patronage sources, received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law and to the extent practicable, be allocated to its members on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of members as herein provided.

### *C. Revolving Capital.*

(i) If at any time, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby and that such action is permissible under applicable law, the capital then credited to members' accounts may be retired in full or in part. Any such retirement of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

(ii) Notwithstanding any other provision of these By-laws, the Board of Directors, at its discretion, shall have the power to retire any capital credited to members' accounts on such terms and conditions as may be agreed upon by the parties in any instance in which the interests of the Cooperative and its members are deemed to be furthered thereby and funds are determined by the Board of Directors to be available for such purposes.

## **XII. CONSENT TO TAKE PATRONAGE DISTRIBUTIONS INTO INCOME**

Each person or organization that hereafter applies for and is accepted for membership in this Cooperative and each member of this Cooperative on the effective date of this Bylaw who continues as a member after the effective date shall, by these acts alone, consent that the amount of any distributions with respect to patronage which are made in written notices of allocation as defined in 26 U.S. Code § 1388, and which are received by the member from this Cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S. Code § 1385(a) in the taxable year in which the written notices of allocation are received.

## **XIII. LOSSES**

*A. Netting of Losses.* In the event of a loss in one or more departments or divisions of operation of this Cooperative, but not of such magnitude as to cause an overall loss for the fiscal year of the Cooperative, such loss or losses may be prorated against each of the remaining profitable departments on the basis of their respective percentage of the total net proceeds during such fiscal year.

*B. Allocation of Net Losses.* In the event this Cooperative shall incur a net loss in any fiscal year, the Board of Directors, in its sole discretion, may (a) charge such net loss against any earned surplus or paid-in surplus which is unallocated, or against any unallocated reserve other than valuation reserves, or (b) may recover the amount of such loss from prior or subsequent years' net margins or savings. If such loss exceeds the total of said unallocated earned surplus of any unallocated reserves, or in any event, if the Board of Directors so elects, the amount of such loss may be recovered from prior or subsequent years' Net Savings. In no event shall the Board of Directors have the authority to make any assessment against members or patrons. This section shall not be construed or administered in such a way as to deprive the Cooperative of the right to carry back or carry forward net operating losses to past or future years, in accordance with the applicable provisions of the Internal Revenue Code or state taxing statutes.

## **XIV. UNCLAIMED MONEY**

*A. Claims Generally.* A claim for money against the Cooperative shall be subject to the provisions of this Article whenever the Cooperative is ready, able, and willing to pay such claim, and has paid or is paying generally claims arising under similar circumstances, but payment of such claim cannot be made for the reason that the Cooperative does not know the whereabouts or mail address of the one to whom it is payable or the one entitled to payment.

*B. Notice of Claim Removal.* If such claim be not actually paid within a period of three (3) years after it became payable as herein provided, the Cooperative shall remove the claim as a liability on its books; provided that no such removal shall be made unless at least thirty (30) days prior thereto the Cooperative shall have sent by registered United States mail, with return receipt requested, a written notice of the proposed removal, addressed to the person appearing from the Cooperative's records to be entitled to payment of such money at the last address of such person shown by the records of the Cooperative.

*C. Claims Extinguished.* If any such claim be removed of record after giving such notice, the claim shall be deemed extinguished but the Cooperative shall continue to maintain a memorandum record of such claim and shall pay the principal amount thereof without interest to any claimant who subsequently establishes to the satisfaction of the Cooperative said claimant's right to receive payment.

*D. Claims Account.* Any and all amounts recovered by the Cooperative pursuant to this Article, after deducting there from the amount of any taxes payable thereon, shall be placed in a special account. Any claim paid after the expiration of the period of years herein specified shall be deducted from such account.

## **XV. MISCELLANEOUS**

*A. Reserved Rights of the Membership.* Only the members, voting according to these By-laws, can amend the Certificate of Incorporation for the Cooperative.

*B. Amendments to the Certificate of Incorporation.* The Certificate of Incorporation of the Cooperative may be amended only by the affirmative vote of two-thirds of the members voting thereon at any regular or special meeting at which quorum requirements have been fulfilled.

*C. Amendments to the By-laws.* These By-laws can be amended by the affirmative vote of two-thirds of the members voting thereon at any regular or special meeting held after due written notice setting forth the proposed action and the purpose of the meeting, provided quorum requirements have been fulfilled. These By-laws can also be amended by the Board of Directors, but any amendment adopted by the Board of Directors shall be reported to the next annual meeting of members and, if not affirmatively approved thereat, shall cease to be in effect.

*D. Dissolution of the Cooperative.* Dissolution can proceed only with two-thirds vote of members present in person or by written ballots at a meeting called and conducted in accordance these By-laws at which quorum requirements have been fulfilled. A committee of three members, selected by the membership, shall carry out the dissolution. Notice of dissolution must

be provided to the members of the Cooperative. Upon dissolution, after (1) all debts and liabilities of the Cooperative shall have been paid, (2) any investment shares have been paid, (3) the value of capital contributions returned, and (4) all capital furnished through patronage shall have been retired without priority on a pro rata basis, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

*E. Severability.* In the event that any provision of these By-laws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to confirm with such statute or rule of law without affecting the validity or enforceability of any other provision of these By-laws.