

By-Laws for the Centre-In Food Co-operative, Inc.

Revised January 2015

Article I. Offices

- 1.1 Centre-In Food Cooperative, Inc. (“Corporation” or “Cooperative”) is doing business as Maple City Market.
- 1.2 The principal office of the Corporation in the State of Indiana shall be in the City of Goshen in the County of Elkhart. The Corporation may have other offices, within or without the State of Indiana, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Article II. Membership

- 2.1 **Eligibility.** Membership in the Cooperative shall be open to any person who is in accord with its purposes and is willing to accept the responsibilities of membership.
- 2.2 **Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.
- 2.3 **Admission.** Any eligible person may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors (henceforth “the Board”).
- 2.4 **Rights.** Members have the right to elect the Cooperative’s Board, to attend meetings of the Board, to receive notice of and attend membership meetings, and to petition as described in these bylaws. Each member shall have one vote and no more on all matters submitted to members. The rights of members shall be understood to apply only to active members in good standing. All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.
- 2.5 **Responsibilities.** Members shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. A member who upholds these responsibilities is considered an active member in good standing.
- 2.6 **Termination of Membership.** A member may terminate his or her membership voluntarily at any time by written notice to the Cooperative. Membership may be terminated involuntarily by the Board for cause after the member is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative’s bylaws or policies, actions that will impede the Cooperative from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its members, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Cooperative.
- 2.7 **Return of Equity.** Equity shall be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary.

- 2.8 **Unclaimed Property.** If a member voluntarily or involuntarily terminates membership in the cooperative, and fails to inform the cooperative of his or her mailing address, then the equity and patronage dividend amount allocated to that member will be forfeited by the member to the cooperative.

Article III. Meetings of Members

- 3.1 **Annual Meeting.** An annual meeting shall be held for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. The Board of Directors shall designate the date and hour of the meeting each year.
- 3.2 **Special Meetings.** Special meetings of the membership may be called by the Board, either by decision of the Board or in response to a written petition of 5% of the active members. Notice of special meetings shall be issued to members. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting. Decisions made at any special meeting are advisory only.
- 3.3 **Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Indiana, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.
- 3.4 **Notice of meetings.** Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Cooperative and communicated to members not less than four (4) weeks prior to the date of the meeting.
- 3.5 **Voting.** Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Cooperative and communicated to members not less than four (4) weeks prior to the end of the election period. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by law, all questions shall be decided by a vote of a majority of the members voting thereon. Proxy voting is not allowed.

Article IV. Board of Directors

The affairs of the Corporation shall be managed by its Board of Directors.

- 4.1 **Powers and Duties.** The Board shall be composed of Directors, elected from among members of the Cooperative. Except for matters for which member voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management and evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is carried out.
- 4.2 **Number, Tenure, and Qualification.** The number of Directors shall be no less than seven (7) and no more than eleven (11). The Board of Directors, from time to time, shall determine the exact number of Directors by resolution. Each Director shall hold office for three (3) years, from July 1 in one year to June 30 of the third year thereafter, or until his/her successor shall have been elected and qualified. No Director may hold office for more than three (3) consecutive terms.

- 4.3 **Regular Meetings.** Regular meetings and special meetings of the Board of Directors may be held at such times and places as the Board may decide. Any member may attend any Board of Directors meeting, and notice of each Board of Directors meeting must be posted in a conspicuous place at the principal office of the Corporation at least seven (7) days in advance of such meeting. Meetings shall be open to all members unless the Board decides to go into executive session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.
- 4.4 **Special Meeting.** Special meetings of the Board of Directors may be called by the Chairperson or by any three (3) Directors. The person or persons authorized to call such a meeting may fix any place, within or without the State of Indiana, as the place for holding such meeting and is responsible for posting notice as required in Section 3.
- 4.5 **Quorum.** A majority of the current Directors shall constitute a quorum and no decisions will be made without a quorum.
- 4.6 **Vacancies.** Any vacancy among Directors elected by the members may be filled by appointment by the Board. A Director so appointed shall complete the pertinent term.
- 4.7 **Removal.** A Director may be removed by decision of 2/3 of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies.
- 4.8 **Officers.** The Board will designate officers according to the requirements of state law and as necessary for the effective conduct of Board business.
- 4.9 **Indemnification.** The Cooperative shall indemnify and reimburse each present, past and future Director for any claim or liability (including expenses and attorneys fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director. Such indemnification shall be made only if it is determined by the Board that the Director acted in good faith in the reasonable belief that his or her action was in the best interests of the Cooperative, or as otherwise allowed by law.

Article V. Books and Record

- 5.1 **Bookkeeping.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at its principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his/her agent or attorney, for any proper purpose at any reasonable time.
- 5.2 **Financial Statements.** No less frequently than annually, the Corporation shall prepare a statement showing the Corporation's assets, indebtedness, income, outlays, cash on hand or on deposit, and any other information he/she judges to be relevant to the financial status of the Corporation. This statement is to be reviewed and approved by the Board of Directors. The financial statement as approved shall be posted at the principal office of the Corporation.

Article VI: Patronage Dividends

- 6.1 **Allocations to members.** The Cooperative shall allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made.
- 6.2 **Consent of members.** By obtaining or retaining membership in the Cooperative, each member consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Cooperative.

Article VII. Equity and Dues

- 7.1 **Equity.** The Board of Directors shall establish an equity share membership policy. This shall include the number of member shares a member is required to purchase initially in order to initiate membership and subsequently in order to maintain active membership. The policy shall further include the number of shares that constitutes full membership investment.
- 7.2 **Dues.** The Board of Directors may determine from time to time required fees or dues payable to the Corporation by members.

Article VIII. Amendments to By-Law

- 8.1 These by-laws may be altered, amended or repealed and new by-laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least ten (10) days' written notice is given to each Director of the proposal to alter, amend or repeal these by-laws or to adopt new by-laws at such meeting.

Article IX. Dissolution

- 9.1 **Asset Distribution:** The Cooperative may be dissolved upon a decision of the Board and a two-thirds (2/3) vote of the members who participate in the vote. Upon dissolution of the Cooperative, its assets shall be distributed in the following manner and order: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming any equity accounts which, if they cannot be paid in full, shall be paid in the order of the oldest outstanding amounts; (iii) by distributing any remaining assets in a way determined by the Board that furthers the Cooperative's mission, and complies with the appropriate State and Federal laws and regulations.