

Bylaws of East Lansing Food Co-operative, Inc.

(Approved by vote of the Owners of the East Lansing Food Cooperative, Inc., April 19, 2008)

I. Purposes

The purposes for which East Lansing Food Co-op, Inc. (the "co-op") is organized are enumerated in the Articles of Incorporation.

II. Owners

The owners of the co-op, through ownership meetings, the Board of Directors they elect (the "Board"), and through referenda (singularly "referendum"), shall control the affairs of the corporation.

- A. **QUALIFICATIONS.** Any person who has attained the age of sixteen may become an owner of the co-op by purchasing a share and paying a fee set by the Board.
- B. **CLASSES OF OWNERSHIP**
 - 1. *Voting owners* are those owners whose ownership interests are not prohibited by Michigan Compiled Laws. Voting owners are eligible to vote in any ownership meeting.
 - 2. *Associate owners* are those owners whose ownership interests preclude voting rights in accordance with Michigan Compiled Laws.
 - 3. *Special owners* are individuals or entities whose ownership interest in the co-op is fixed according to an action of the Board. The Board may grant voting rights to special owners during the period of special ownership.
- C. **ACCESS TO BYLAWS.** All owners shall have access to these Bylaws.
- D. **VOTES.** Each voting owner shall have one vote at each ownership meeting, and in referenda.
- E. **SPECIAL PRIVILEGES.** Owners may be granted special privileges as determined by the Board.
- F. **RESPONSIBILITIES OF OWNERSHIP.** Responsibilities of ownership shall be established by the Board or by vote of the owners.
- G. **ABSENTEE VOTING.** The Board may make provisions and procedures for absentee voting through any means that allow for a record of such votes.
- H. **TERMINATION OF OWNERSHIP.** Owners may terminate their ownership by submitting a notice of termination on a form provided by the co-op. The Board may terminate any ownership if the owner fails to meet the responsibilities of ownership.

III. Ownership Meetings

Any business of the co-op may be brought for consideration of the ownership from time to time and shall constitute an ownership meeting.

- A. **ANNUAL MEETING.** An annual meeting of the co-op for consideration of business by all owners shall be held each April. The annual meeting shall be the primary business meeting of the owners and shall include, at a minimum, the following items:
 - 1. Election of voting owners to serve on the Board in accordance with Article IV H of these Bylaws.
 - 2. Presentation of a report on the financial position and operations of the co-op during the preceding twelve months.
- B. **SPECIAL MEETINGS.** Special meetings for consideration of business by owners may be called by a majority vote of the Board or by written request of the owners to the Board. The following apply to requests for special meetings:
 - 1. The written request must contain the names and signatures of at least 50 voting owners.

2. The written request must be presented to the President of the Board (or Secretary, if President is unavailable).
 3. The President (or Secretary) shall ensure validity of signatures.
 4. A special meeting shall take place within thirty days of receipt of the written request.
- C. QUORUM. Twenty-five voting owners present in person or by electronic means shall constitute a quorum for any decisions to be made at any annual or special ownership meeting.
- D. ACTION ITEMS. Any item to be considered at an ownership meeting must be submitted in writing to the Secretary of the Board, eight days prior to the meeting at which it shall be considered. The Secretary shall note items for consideration on the agenda of the ownership meeting. Posting requirements may be waived for any question of co-op business by unanimous consent of those attending the ownership meeting.
- E. MAJORITY. A majority of the voting ownership voting in the affirmative on any item on the agenda shall bind the co-op.
- F. NOTICE OF MEETINGS. At least two weeks notice shall be given prior to any ownership meeting. The Secretary of the Board shall conspicuously post that notice in the co-op, stating the time and place of the meeting and whether the ownership meeting is an annual meeting or a special meeting. An agenda of the meeting shall be conspicuously posted in the co-op's place of business seven days prior to the ownership meeting.

IV. Board of Directors

- A. PURPOSE. The Board of Directors of the co-op is responsible for:
1. Setting policy and directing the affairs of the co-op.
 2. Hiring and firing the general manager of the co-op.
 3. Resolving any question not presented to the ownership for a vote.
- The Board may direct any question to the ownership as a referendum, and may call special ownership meetings for this or any other purpose.
- B. QUALIFICATIONS.
1. A person shall be qualified for Board membership provided the person is at least eighteen years of age and is a voting owner of the co-op.
 2. An employee of the co-op who is a voting owner and is not the General Manager shall be considered qualified for Board membership. No more than two Directors may be employees of the co-op.
- C. QUORUM. A quorum of the Board shall consist of a majority of its seated voting directors who must be present (in person or remotely, see Article IV K) at any decision-making meeting. No official action or decision can be transacted by the Board without a quorum. Except for removal of a Director or Officer, for the Board to take action or make a decision, a majority of the Directors present and eligible to vote on an action must agree to the decision.
- D. OFFICERS. The Board shall elect officers from its number:
1. A President who shall be the chief presiding officer of all meetings of the ownership and the Board. In the absence of, or by wish of, the President, another Officer shall chair that meeting, with the consent of a majority of the Directors present.
 2. A Secretary who shall be the official custodian of records of the co-op.
 3. A Treasurer who shall be responsible for ensuring that financial matters of the co-op comply with federal and state laws and with these Bylaws.
- E. RESPONSIBILITIES OF OFFICERS. The officers shall be responsible for the usual functions of their offices and any additional duties as directed by the Board.
- F. GENERAL MANAGER EX OFFICIO DIRECTOR. The General Manager shall be an ex officio, non-voting Director and shall not be counted as a Director for the purposes of establishing a quorum or majority.
- G. FREQUENCY OF MEETINGS. The Board shall meet at least quarterly, in sessions open to any interested owners.
- H. SELECTION OF THE BOARD.
1. NUMBER OF DIRECTORS. The voting ownership shall elect up to seven voting owners to serve as the Board.

2. STAGGERED TERMS. At the first Board meeting after ratification of these Bylaws, the Board shall assign a number to each Director's "seat." Thereafter, even-numbered seats shall be elected on even-numbered years and odd-numbered seats shall be elected on odd-numbered years.
3. LENGTH OF TERMS. Terms of office shall not exceed two years, but Directors may be elected for successive terms.
4. ELECTION PROCEDURE.

The Board election shall take place according to the following procedures:

- a) Nominations for Board vacancies must be submitted no sooner than seven weeks or later than two weeks before the annual meeting. The Board shall establish a procedure for nominating voting owners.
 - b) A ballot listing all Board vacancies and nominees shall be made available to all voting owners.
 - c) Balloting will occur during the fourteen-day period preceding the annual meeting.
 - d) In-person balloting will continue for the first 45 minutes after the annual meeting is called to order.
 - e) Nominees must attend the Annual Meeting to be elected except when prior written notification is provided to and accepted by the Board.
 - f) Election results will be announced before the end of the annual meeting.
 - g) Each owner has a number of votes equal to the number of vacancies to be filled. Nominees with the highest number of votes will be elected to the Board.
- I. VACANCIES. In the event of a vacancy on the Board, the Board may choose temporarily to fill the seat by majority vote or to leave the seat vacant.
 - J. CONFLICT OF INTEREST. A Director shall declare any conflict of interest regarding any business considered by the Board. Should an employee be a Director, that employee shall not vote on any issue relating to the General Manager's continued employment or remuneration, but may vote on hiring a General Manager.
 - K. REMOTE PARTICIPATION. Nothing shall prohibit the Board from conducting a meeting where Board owners participate through telephonic or other electronic means. At such meetings, at least one Officer must be physically present in the place posted for such meeting and all participants must be fully audible.
 - L. INDEMNITY. In the absence of fraud or bad faith, individual members of the Board of Directors shall not be personally liable for the co-op's debts, obligations or liabilities, and the co-op shall indemnify any Director or former Director against expenses duly and necessarily incurred by him/her in connection with the defense of any action, suit, or proceedings in which he or she is made party by reason of having been a Director, except in relation to such matters as to which he/she shall be adjudged in such action to be liable for negligence or misconduct in the performance of duty.
 - M. REMOVAL OF DIRECTORS. A Director may be removed from the Board by a two-thirds vote of the Board or by action of a majority of the voting ownership in accordance with Article VII of these Bylaws.
 - N. REMOVAL OF OFFICERS. An Officer may be removed by a two-thirds vote of the Board.
 - O. INABILITY TO DO BUSINESS. In the event that there are fewer than three seated Directors, the General Manager, as *ex officio* Director, shall convene a special ownership meeting to elect a Board.

V. Operations and Finance

- A. NOT-FOR-PROFIT STATUS. The co-op shall operate on a not-for-profit basis.
- B. DISTRIBUTION OF ASSETS. In the event of dissolution of the co-op, any net assets shall be distributed to other cooperative organizations in the Lansing area (first), Michigan (second) and nationally (third) as determined by the Board. None of the assets of the co-op shall inure to the benefit of any owner, officer, or private individual.

- C. DISPUTE RESOLUTION. Provisions may be made for a “neutral dispute resolution body” if needed per article 450.3142 of the Consumer Cooperative Act.

VI. Amendment and Ratification

Amendments to these Bylaws may be proposed by the Board or by petition of at least fifty owners to the Board, and submitted to the ownership through referendum.

VII. Referenda

- A. SCOPE. Any question concerning the co-op’s business or policies may be put to a vote of the ownership for action (“referendum”).
- B. REFERENDUM AUTHORITY OF BOARD. The Board may submit any referenda to the ownership if it deems such actions advisable.
- C. PETITION OF OWNERS. The Board is mandated to hold a referendum upon a valid petition containing the names and signatures of at least fifty voting owners.
- D. PETITION VALIDATION
 - 1. The petition for a referendum must be presented to the Board President (or Secretary, if President is unavailable) at least ten days before a regularly scheduled Board meeting.
 - 2. The President (or Secretary) shall have ten days from the receipt of such a petition to rule on its validity. If the President (or Secretary) does not rule on the validity of the petition within ten days, the petition shall be considered validated.
 - 3. The President (or Secretary) shall determine a petition for a referendum to be valid if it contains at least:
 - a) The exact wording of the question to be put to referendum, and
 - b) The valid names and signatures of at least fifty current voting owners.
- E. SCHEDULING. The Board shall schedule a referendum no later than thirty days after validation of an owner petition. All referenda shall be conducted in accordance with procedures established by these Bylaws.
- F. MAJORITY. A majority of voting owners casting votes in the affirmative shall be necessary to pass a referendum or Bylaws amendment, providing that the total number of voting owners casting votes on the acceptance of the proposal is at least fifty.