

# YPSILANTI FOOD COOPERATIVE BYLAWS

## 1. ORGANIZATION AND DEFINITIONS

1.1. The Ypsilanti Food Cooperative, known hereafter in these bylaws as “the co-op,” is a consumer cooperative, incorporated under Chapter 11 of the Michigan Nonprofit Corporation Act.

1.2. “The Board” refers to the Ypsilanti Food Cooperative Board of Directors throughout these bylaws.

## 2. PURPOSE AND PHILOSOPHY

2.1. The purpose of the co-op is to provide its membership and the community with food, goods, and services with consideration of source, quality, and price, and with the general goal of enhancing the quality of life.

2.2. The co-op strives to educate the membership and the community with respect to cooperative principles, nutrition, the use and preparation of foods, and the political and ecological impact of consumer goods.

2.3. The co-op views itself as part of a larger social and political movement directed toward creating a society which holds the welfare of all human beings as an important principle. We feel solidarity with other people, other groups, and especially with other cooperatives that are equally committed to providing people with the knowledge and resources necessary to control their own lives.

## 3. MEMBERSHIP

3.1. Any individual adult (age (21) years old or older) who supports the principles of cooperation and whose activities are not contrary thereto may become a member owner of the co-op, irrespective of race, creed, sex, handicap, or social or political beliefs.

3.2. To become a member owner of the co-op a person shall:

- a) pay to the co-op the nontransferable, non-redeemable (administrative) fee determined by the Board; and

- b) fill out a membership card which includes the applicant's name, address, telephone number and whether he or she is willing to contribute volunteer time to the co-op, including any special skills he or she may be able to contribute; and
- c) agree to participate in good faith with a neutral dispute resolution body, as described later, in the event of any disagreement with the co-op.
- d) shall open and maintain with the co-op a Member Capital Account (fair share), the amount and collection method to be determined by the Board.

3.3. The term member and member owner are used interchangeably in this document.

3.4. All member owners of the co-op are entitled to a discount on purchases at the co-op. The amount of this discount shall be determined by the Board.

3.5. Member owners of the co-op who do volunteer work for the co-op may earn an extra discount on purchases at the co-op. The amount of the discount shall be determined by the Board and will be explained further in the co-op's Policies.

3.6. Each member owner of the co-op is entitled to one vote on all matters submitted to the members for a vote.

3.7. Any individual who: a) is under 21 years of age, b) has an interest in another alcohol license, or c) is involved in law enforcement, may not become a member owner. These individuals may however join as associate members. Associate members have the same responsibilities and privileges as member owners but are not entitled to a vote.

3.8. Any society or organization not in opposition to the purposes of this co-op may, on the approval of the Board, be admitted to membership. The terms established by the Board for any such admission should address all of the issues included in Bylaws 3.1 through 3.6.

3.9. Member owners, either individual or organizational, or other consumers may be limited on the quantity of merchandise purchased, at the discretion of the manager.

3.10. Every member owner shall notify the co-op, within a reasonable time and in writing, of any changes in status that would reflect a change in any information recorded on his or her membership card. Failure of a member owner to supply the co-op with a current correct address constitutes a waiver of the member's notice of meeting rights.

3.11. In the event of a disagreement arising within the co-op, a neutral dispute resolution body may be formed to try to resolve the disagreement. The neutral dispute resolution body shall be composed of a maximum of three individuals who are approved by both

parties in the dispute. These individuals may be member owners or nonmembers, but not officers, directors, or employees of the co-op.

3.12. The voluntary withdrawal of a member owner requires a written notice to the manager and must include a current mailing address. His or her membership will be immediately terminated on receipt of the termination notice. The current book value of his or her Member Capital Account will be refunded within one year of the notice, unless the Board deems it necessary for the health of the co-op to extend the refund period. The current book value of the Member Capital Account shall be defined as the lesser of the member's Member Capital Account or of the member's pro-rata share of the equity section of the co-op's next quarterly balance sheet. The member owner's pro-rata share shall be determined according to the ratio each member owner's Member Capital Account bears to total Member Capital.

3.13. Any member owner who has not patronized the co-op for a period of two years may have his or her membership terminated. Patronizing consists of shopping at the co-op or contributing to said member owner's Member Capital Account. The member owner will be sent written notice of the terminating membership, and the status of his or her Member Capital Account. If the member owner fails to respond to the notice before the next general membership meeting, his or her membership will be terminated. If the member owner fails to respond to the notice and claim his or her Member Capital refund within five years from the date of the notice, that member owner shall have no further rights to his or her Member Capital Account. Any of the forfeited Member's Capital may be added to the general funds of the co-op.

3.14. Any member owner whose activity in the co-op is contrary to the basic principles of consumer cooperation, or whose actions endanger effective operation of the co-op, may be expelled by the Board after written notice of the charges against said member owner and after reasonable opportunity for a hearing. Said member owner shall have the right of appeal to the general membership at their next meeting, provided that the motion to expel is included in the notice of the meeting. At the general membership meeting, said member owner shall be given the opportunity to be heard, with or without counsel. A majority vote by the member owners present at the general membership meeting will uphold the Board's vote to expel. All or a portion of the expelled member owner's Member Capital Account

may be retained at the Board's discretion to cover damages or losses caused by the expelled member owner.

#### 4. MEETINGS OF MEMBER OWNERS

4.1. An annual general membership meeting, open to all member owners, shall be held in May of each year at a time and place determined by the Board. The purposes of this meeting shall be to hear reports on the operations and finances of the co-op, to elect directors to the Board, and to conduct such other business as may properly come before the meeting.

4.2. General membership meetings may be held during the year at a time and place determined by the Board.

4.3. Written notice of the annual and regular general membership meetings shall include date, time, place, and purposes and shall be posted on the co-op premises at least 15 days prior to the meeting or mailed to each member owner at least 10 days prior to the meeting.

4.4. A special general membership meeting may be called by either (a) a petition signed by 10% of the membership or 50 member owners, whichever is smaller, or (b) four or more members of the Board. The purpose of the meeting shall be clearly stated in the petition. The completed petition shall be presented to the Board, who shall certify the validity of the signatures on the petition and arrange a date, time, and place for the meeting. Only the business issues stated in the purpose of the meeting on the petition may be considered at the special meeting.

4.5. Written notice of a special general membership meeting shall include date, time, place, and purposes of the meeting and shall be given to each member owner in person or by mail not less than ten nor more than sixty days before the date of the meeting.

4.6. A quorum at any general membership meeting shall be 25% of the eligible voting membership or 25 members, whichever is smaller.

4.7. The Board may allow member owners to vote by absentee ballots at any general membership meeting.

4.8. The Board may allow member owners to vote by mail ballot or by referendum, except as listed in Bylaw 5.2 below.

4.9. Voting by proxy ballots shall not be permitted.

## 5. AMENDMENTS AND OTHER CORPORATE ACTIONS

5.1. These bylaws (except those listed in Bylaw 5.2 below) may be amended by a two-thirds majority vote of the Board members currently serving or by a majority vote of the eligible voting membership in attendance at any general membership meeting.

5.2. An amendment of the articles of incorporation; an amendment of these bylaws which alters member voting rights or member capital (such as Bylaws 3.3, 3.6, 3.7, and 3.9-3.13); or any corporate action resulting in merger or consolidation, in disposition of all or substantially all of the assets of the co-op, or in dissolution of the co-op:

- a) shall be proposed by a two-thirds majority vote of the Board members currently serving or by 10% or more of the eligible member owners; and
- b) shall be voted on at a special general membership meeting (if the proposal meets the requirements of Bylaw 4.4) or at any general membership meeting. Written notice of either type of meeting must meet the requirements of Bylaw 4.5; and
- c) shall be adopted by a majority of the eligible voting member owners in attendance at the meeting.

5.3. Any amendment or corporate action listed in Bylaw 5.2 which is adopted by less than a majority of ALL member owners eligible to vote, is subject to a confirmation vote, if a petition of 15% or more of ALL member owners eligible to vote is presented to the Board prior to the sixtieth day after the adoption of the action. The confirmation vote must be held at a special general membership meeting, by mail ballot, or by referendum within forty-five days of receipt of the petition. To confirm the amendment or corporate action, the affirmative vote must be a majority of the ballots cast by the eligible voting membership.

5.4. Any amendment of the articles of incorporation which is adopted by less than a majority of ALL member owners eligible to vote will be filed with the Corporation and Securities Bureau of the State of Michigan when the sixty days for presenting a petition has expired, or the amendment is confirmed.

## 6. BOARD OF DIRECTORS

6.1. The administration of the co-op shall be vested in a Board of Directors. The Board shall consist of seven persons elected by and accountable to the member owners.

6.2. A nomination/election committee shall be appointed annually by the Board to recruit nominees for the Board, to review their qualifications, and to conduct the election at the annual general membership meeting in accordance with established procedures.

6.3. Other nominations from the floor for the Board shall be permitted at the annual general membership meeting.

6.4. Each nominee to the Board shall:

a) be a member owner of the co-op.

b) support the principles of consumer cooperation and the role of consumer cooperatives as alternative economic, political, and social institutions. This support may be shown by the nominee participating in general membership meetings, volunteering in the store or on co-op committees, or shopping at the co-op on a regular basis.

c) fill out a nominee questionnaire, answering questions about participation in the co-op and intent as a member of the Board.

d) understand basic accounting principles and the financial structure of the co-op and be willing to attend and participate in educational sessions throughout his or her Board term, in order to better understand the role and responsibility of a Board member.

e) be committed to attend regular and special Board meetings as deemed necessary by the Board.

f) be committed to attend special events of the co-op as well as local, regional, state and national cooperative conferences and workshops.

6.5. No person employed by the co-op as a staff member shall serve on the Board.

6.6. Directors shall serve two year terms, with three terms expiring in odd-numbered years and four terms expiring in even-numbered years.

6.7. The officers of the Board shall include a president, chairperson, vice president, secretary, and treasurer. The Board shall elect the officers for one year terms no later than the second Board meeting after the annual election. The duties of the Board officers are as the Board designates in their policies and procedures.

6.8. Voluntary resignation of a director shall be effective upon receipt of notice by the Board secretary.

6.9. A Board member may be removed for cause by a majority vote of eligible members present at any general membership meeting. Said Board member must be given at least ten days written notice stating the specific charges and an opportunity to answer such charges at the general membership meeting at which the vote is to be taken. The motion to remove shall be included in the notice of the meeting.

6.10. A vacancy occurring in the Board may be filled by the affirmative vote of the remaining directors until the next general membership meeting. Any seat with an appointed director in it will be up for election at the next general membership meeting.

6.11. A Board member who has consistently failed to follow the code of conduct can be removed from the board by a 2/3 vote of the remaining Board members.

## 7. MEETINGS OF THE BOARD OF DIRECTORS

7.1. Regular Board meeting time and place shall be determined by the Board and arranged by the Board at the previous regular Board meeting.

7.2. A majority of Board members constitutes a quorum. No official business shall be conducted without a quorum and no proxy voting will be permitted at Board meetings.

7.3. Board meetings shall be open to the general membership to observe and participate in except when an executive session is called.

7.4. Executive sessions shall be called with the consensus of the Board and only when personnel matters are to be discussed. Only currently serving Board members should attend, but others may be invited by the Board to attend.

7.5. The General Manager shall attend Board meetings.

7.6. Emergency decisions made outside of regularly scheduled meetings may be made by consensus of the majority of the Board members, either verbally or in writing. A reasonable attempt to contact all Board members must be documented. Any emergency decision must be ratified at the next regular Board Meeting.

## 8. DISSOLUTION

8.1. Upon dissolution, the assets of the co-op shall be distributed in the following manner and order:

- a) By paying or providing for payment of its debts and expenses.
- b) By redeeming member capital by paying to each member in cash or other property the lesser of the member's Member Capital Account or the member's pro-rata share of total member capital of the co-op determined according to the ratio each member's Member Capital Account bears to total member capital.
- c) The membership shall name a non-profit organization or organizations to receive any surplus left after all obligations have been paid.

## REVISION HISTORY

3.11 Revised 1994

4.2 Revised 2005

Members/Owners clarified 2007

Associate member added 2008

Coordinator changed to Employee June 2008

6.5 revised 3/20/12 to remove board-eligibility of store employees

6.10 revised 5/22/12

Draft 9 completed by Jeff Clark on July 19, 2012

6.11 Revised by the Board February 23, 2016