

**THE BYLAWS OF  
FRIENDLY CITY FOOD COOPERATIVE, INC.**

**ARTICLE I  
ORGANIZATION**

Section 1. Name and Status. Friendly City Food Cooperative, Inc. has been organized as a cooperative stock corporation (the “Cooperative”) under the laws of the Commonwealth of Virginia.

Section 2. Purpose. The Cooperative is formed to engage, on a cooperative basis, in a mercantile and marketing business providing groceries and other consumer goods and services to stockholders, patrons and customers, and to conduct such other business as permitted by law.

**ARTICLE II  
MEMBERSHIP**

Section 1. Eligibility. Membership in the Cooperative shall be voluntary and open to any individual or entity who is a resident of the Commonwealth of Virginia, who intends to use the services of the Cooperative, who subscribes for at least one share of common capital stock of the Cooperative and submits therewith such information and payment as the Board of Directors may require from time to time, and who satisfies such additional membership eligibility requirements as may be prescribed by the Board of Directors in writing from time to time. On or before the issuance of such share(s), the Cooperative will provide the subscriber a copy of these Bylaws.

Section 2. Membership Requirements. Any individual or entity eligible for membership, upon the acquisition of at least one share of the common capital stock of the Cooperative and the full payment therefor shall be deemed a lawful member entitled to vote.

Section 3. Voting. Each member shall be entitled to one and only one vote regardless of the number of shares or amount of the capital stock (common or preferred) of the Cooperative owned by such member.

Section 4. Dismissal of Members. The Board of Directors shall have the right to dismiss any member or members who have been adjudged by the Board of Directors to have ceased to be eligible for membership or to have violated any of the membership requirements as adopted by the Board of Directors or provided in these Bylaws; or to be acting contrary to the aims and purposes, or the best interests of the Cooperative, or has failed to patronize the Cooperative over a three-year period. The Board of Directors shall repurchase at par value, plus any accrued and unpaid dividends, the common capital stock of any member or members dismissed hereunder within a reasonable time after such dismissal.

Section 5. Death of Members. The Board of Directors shall repurchase at par value, plus any declared and unpaid dividends, the common capital stock of any deceased member, unless the estate of the deceased member, with the consent of the Board of Directors, transfers such stock to

a person eligible for membership in the Cooperative as set forth in Section 1 of this Article and in accordance with the requirements of Sections 3 and 4 of Article III below.

Section 6. Dissolution of Members. The Board of Directors shall repurchase at par value, plus any declared and unpaid dividends, the common capital stock of any dissolved entity which is a member, unless the trustees in liquidation of such member, with the consent of the Board of Directors, transfers such stock to a person eligible for membership in the Cooperative as set forth in Section 1 of this Article and in accordance with the requirements of Sections 3 and 4 of Article III below.

Section 7. Roll. A roll of the members and their addresses shall be kept by the Cooperative. Each member shall notify the Cooperative of any change of address within fifteen (15) days of any such change. With regard to any member who fails to give such notice of any change of address, the Board of Directors may withhold payments with respect to such member's stock and notice of any membership meetings until such member's new address can be ascertained.

Section 8. Annual Meetings. The annual meeting of the members of this Cooperative shall be held at such time and place in the Commonwealth of Virginia or in any other state as may be allowed by law, as the Board of Directors may determine.

Section 9. Special Meetings. Special meetings of the members may be held at any place within the Commonwealth of Virginia or in any other state as may be allowed by law, at any time upon the call of the Board of Directors, or at least twenty percent (20%) of the members of the Cooperative.

Section 10. Notice of Meetings. Written or printed notice of all meetings of the members, annual or special, setting forth the time and place together with a statement of purposes thereof and containing any other information that may be required by law, shall be mailed to each member eligible to vote at the member's address as the same appears on the records of the Cooperative within such time periods as prescribed by law but in no event later than ten (10) days prior to the date of the meeting. While not binding on the Cooperative, the Cooperative will seek to give at least four (4) weeks' notice of any member meeting. In lieu of notice given in any other manner, any meeting of members, annual or special, may, if the Board of Directors so directs, be held after notice by publication in a newsletter published by or for the Cooperative which substantially all the members of the Cooperative receive, or in a newspaper or newspapers, whose combined circulation is general in the territory in which the Cooperative operates. Notice of any member meeting shall also be posted in a conspicuous location at the Cooperative's principal place of business.

Section 11. Quorum at Meetings for All Members. A quorum at any meeting of the members shall consist of holders of ten percent (10%) of the shares eligible to vote, represented in person, or by proxy.

Section 12. Voting Rights of Members. Voting rights in this Cooperative shall be vested in its common stockholder-members; provided, however, each member shall be entitled to one and only one vote regardless of the number of shares or amount of stock owned by such member.

Section 13. Electronic Notification and Voting. Wherever these Bylaws refer to notice by mail, such reference shall include electronic notification at such recipient's address as appears on the records of the Cooperative. Wherever these Bylaws refer to member voting by mail, such reference shall include voting by electronic mail.

Section 14. Order of Business. The order of business at the annual meetings and, as far as possible, at all other meetings of the members shall be determined by the Board of Directors.

Section 15. Voting. Any matter coming before a member meeting for vote may, in the discretion of the Board of Directors, be voted on by a member by (i) mail ballot, (ii) written ballot cast in person at the Cooperative's principal place of business (or other designated location) in advance of the meeting, and/or (iii) written proxy, in each case as an alternative to casting one's vote in person at the member meeting. Whether any or all such means of voting are permitted, and, if so, the requirements associated therewith, shall be set forth in the notice of meeting described in Section 10 above.

Section 16. Adjournments. A majority of the votes entitled to be cast at any meeting, represented in person or by proxy, even though less than a quorum, may adjourn the meeting to a fixed time and place. If a meeting of the members is adjourned to a date more than 120 days after the date fixed for the original meeting, notice of the adjourned meeting shall be given as in the case of the original meeting. If a meeting is adjourned for less than 120 days, no notice of the date, time or place of the adjourned meeting or, in the case of a special meeting, the purpose or purposes for which the meeting is called, need be given other than by announcement at the meeting at which the adjournment is taken, prior to such adjournment. If a quorum shall be present at any adjourned meeting, any business may be transacted which might have been transacted if a quorum had been present at the meeting as originally called.

### ARTICLE III CAPITAL STOCK

Section 1. Certificates. Certificates of stock may be issued and shall be signed by either the President, Vice President, Treasurer, or the Secretary or any two officers authorized by the Board of Directors, under the corporate seal, and on the record of each certificate shall be entered the name of the person owning the shares, represented thereby, the number of such shares and the date of issue. Facsimile signatures of such officers and a facsimile of the seal of the Cooperative may be used. The Board of Directors may elect to adopt the provisions of the Virginia Code permitting shares to be issued without certificates. In case of the loss, mutilation or destruction of a share certificate, a duplicate may be issued upon such terms, and bearing such legend, if any, as the Board of Directors may lawfully prescribe.

Section 2. Payment for Stock. Common capital stock may be issued for not less than its par value for cash. Common capital stock shall be issued to and held by only such persons as are eligible for membership in the Cooperative. Except as may be limited by the Articles of Incorporation, preferred capital stock may be issued for not less than its par value for cash, or in exchange for real, personal or other property at valuations determined by the Board of Directors, and may be issued and held by any person or entity.

Section 3. Repurchase of Capital Stock.

(a) A stockholder who desires to sell or otherwise transfer the stockholder's common or preferred capital stock may transfer such stock only to the Cooperative or to a person or persons designated or approved by the Board of Directors of the Cooperative in its sole discretion, in either case at its par value plus declared and unpaid dividends, if any. This restriction on the transfer of common and preferred capital stock shall be printed upon every common stock certificate, or in the disclosure statement issued in lieu of a certificate.

(b) In the event of any repurchase of common or preferred capital stock by the Cooperative for any reason, the Cooperative shall have the right to apply any sum or sums of money for which the stockholder may be indebted to the Cooperative on the payment therefor.

Section 4. Transfers. Transfers of shares shall be made only on the records of the Cooperative by the holder in person or under power of attorney duly executed, witnessed and filed with the Cooperative, and upon surrender of any outstanding certificates of such shares. Transfers will be made only when the stockholder's indebtedness to the Cooperative is not delinquent.

Section 5. Dividends. Subject to the provisions of the Cooperative's Articles of Incorporation, the Board of Directors may declare dividends on the Cooperative's capital stock not to exceed eight percent (8%) per annum of the par value of such shares.

ARTICLE IV  
DIRECTORS

Section 1. Powers. The business and affairs of the Cooperative shall be managed under the direction of a Board of Directors of not less than five (5) nor more than nine (9) members, which Board shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these Bylaws, conferred upon or reserved to the members.

Section 2. Election and Tenure of Office. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3<sup>rd</sup>) of the Board is elected at each annual meeting of the members. No director may serve more than three (3) consecutive terms.

If an election of directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a Special Meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter.

The Board of Directors shall, by resolution, from time to time, determine the number of directors to serve on the Board. No decrease in the number of directors by amendment to these Bylaws shall shorten the term of any incumbent director.

Section 3. Eligibility. Only members of the Cooperative shall be eligible to serve on the Board of Directors of the Cooperative. No employee of the Cooperative may serve on the Board of Directors. Former employees of the Cooperative are eligible to serve on the Board after one year has elapsed from the termination date of their employment with the Cooperative.

Section 4. Vacancies. Any vacancy, other than from the expiration of a term of office, in the office of elected director shall be filled by the Board of Directors of the Cooperative. Such successor shall serve until the next meeting of members following the successor's appointment by the Board.

Section 5. Compensation. Subject to applicable law and amendments thereof from time to time, compensation and expense reimbursement policies in respect to directors shall be established periodically by the Board of Directors.

Section 6. Meetings. The Board shall hold regular meetings at such time and place as determined by the Board of Directors, and shall hold special meetings at such time and place as specified in, and upon the call and written notice of, of the President, General Manager, or a majority of the directors. At least ten (10) days' notice shall be given to each director at the director's address as it appears on the books and records of the Cooperative. Notice of any Board meeting shall also be posted in a conspicuous location at the Cooperative's principal place of business.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director, at the beginning of the meeting or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to the action taken at the meeting.

Members shall be welcome to attend the public session of any Board of Directors' meeting. The Board of Directors may adjourn into executive session with respect to matters that should, in the Board's sole discretion, be treated confidentially, which matters may include, without limitation, personnel matters, contract negotiations, and strategic and business planning.

Section 7. Waiver of Notice. Notice of any meeting may be waived before or after the date and time of the meeting in a writing signed by the director entitled to notice and delivered to the Secretary of the Cooperative for inclusion in the minutes of the meeting or filing with the corporate records.

Section 8. Action Without Meeting. Any action required or permitted by law to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the members of the Board of Directors. The action shall be evidenced by one or more written consents stating the action taken, signed by each director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 9. Conduct of Meetings. The President shall act as chairman of and preside over meetings of the Board of Directors. If the President is not present, the Vice President shall preside. The Secretary shall act as secretary of such meetings. If no such officer is present, the chairman shall appoint a secretary of the meeting.

Section 10. Procedure at Meetings. The procedure at meetings of the Board of Directors shall be determined by the chairman, and (subject to the provisions of Section 18 of this Article) the vote on all matters before any meeting shall be taken in such manner as the chairman may prescribe.

Section 11. Participation by Conference Telephone. The Board of Directors may permit any or all directors to participate in a meeting of the directors by, or conduct the meeting through the use of, conference telephone or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by such means shall be deemed to be present in person at the meeting. When a meeting is so conducted, a written record shall be made of the action taken at such meeting.

Section 12. Resignation. A director may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary. A resignation shall be effective when delivered, unless the notice specifies a later effective date.

Section 13. Removal. At a meeting of members called and noticed expressly for that purpose any director may be removed, with or without cause, if the number of votes cast to remove the director constitutes a majority of the votes entitled to be cast at an election of directors.

Section 14. Quorum. A majority of the number of directors in office immediately before the meeting begins shall constitute a quorum at any meeting. The affirmative vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 15. Conflicts of Interest. No transaction with the Cooperative in which a director has a direct or indirect personal interest shall be void or voidable solely because of the director's interest in the transaction if: (i) the material facts of the transaction and the director's interest are disclosed or known to the Board of Directors or a committee of the Board of Directors, and the transaction is authorized, approved or ratified by the affirmative vote of a majority of the directors on the Board of Directors, or on the committee, who have no direct or indirect personal interest in the transaction; provided, however, that a transaction shall not be authorized, approved or ratified by a single director; or (ii) the material facts of the transaction and the director's interest are disclosed to the shareholders entitled to vote, and the transaction is authorized, approved or ratified by the vote of a majority of the shares other than shares owned by or voted under the control of a director who has a direct or indirect interest in the transaction; or (iii) the transaction is fair to the Cooperative.

Section 16. Board Committees. The Board may appoint special or standing committees of the Board to advise the Board or to exercise such authority as the Board shall designate and as permitted by law.

ARTICLE V  
OFFICERS AND AGENTS

Section 1. Election of Officers. The officers of the Cooperative shall be a President, General Manager, Vice-President, Secretary, Treasurer, and such other officers as may from time to time be elected or appointed by the Board of Directors, all of whom shall be elected for one- year terms unless otherwise specified by the Board, and shall hold office until their successors are elected and qualified. The President shall be elected by the Board of Directors from their own number. The General Manager, Vice-President, Secretary and Treasurer and other officers as may

be elected or appointed shall be elected or appointed by the Board of Directors, but need not be directors or members of the Cooperative.

Section 2. President. The President shall preside at all meetings, shall be the chief spokesperson to members and the public and, in that capacity, promote the Cooperative, shall sign all certificates of stock and may sign and countersign all contracts and other instruments of the Cooperative, shall make reports to the Board of Directors and members, and shall perform all such other duties as are incident to this office or are properly required of this officer by the Board of Directors.

Section 3. General Manager. The General Manager shall carry out the policies of the Cooperative established from time to time by the Board of Directors and shall be in charge of its operations, including all purchasing, marketing, distribution, and service activities required to effectuate the Cooperative's purposes as outlined in its Articles of Incorporation and the policies of the Board of Directors enacted in furtherance thereof. The General Manager shall have authority to sign checks, drafts, notes, and all other orders for the payment of money and to sign the corporate name to all deeds, contracts, leases, and other documents of every nature and description.

Section 4. Subordinate Agents and Employees. Subject to the policies established by the Board of Directors, the General Manager shall have the authority to employ, fix the compensation of, supervise, and terminate the employment of all agents and employees of the Cooperative. If the General Manager deems it to be in the best interests of the Cooperative, such officers may, from time to time, confer upon such subordinate agents of the Cooperative such operational titles and designations as the General Manager may determine.

Section 5. Vice-President. The Vice-President shall perform the duties of the President in the President's absence or disability, and shall, as requested, assist the President in the performance of the President's duties.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors, and the annual and special meetings of all the members, shall have charge of the seal and corporate books, shall sign with the President such instruments as require such signature and may sign certificates of stock. The Secretary shall make such reports and perform such other duties as are incident to this office or properly required of the Secretary by the Board of Directors or the President. The Secretary may delegate the performance of any of the Secretary's duties to one (1) or more Assistant Secretaries.

Section 7. Treasurer. The Treasurer shall have the custody of all the funds and securities of the Cooperative, and shall deposit the same in the name of the Cooperative in such bank or banks as the directors may select. The Treasurer shall have authority to sign all checks, drafts, notes, and orders for the payment of money and to sign the corporate name to deeds, contracts, and leases and other documents of every nature and description. The Treasurer shall at all reasonable times exhibit the Cooperative's books and accounts to any director upon application at the office of the Cooperative during business hours. The Treasurer shall give bond with sufficient surety in such amounts as the Board of Directors may require, the premium for which shall be paid by the Cooperative.

Section 8. Removal. Any officer may be removed at any time by the Board of Directors.

Section 9. Resignation. An officer may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary. A resignation shall be effective when delivered unless the notice specifies a later effective date.

Section 10. Delegation of Power. In the event of and during the absence, disqualification or inability to act of any officer other than the President, such other officers or employees as may be designated by the Board of Directors or by the President shall have the authority and perform the duties of such officer.

Section 11. Execution of Instruments. Checks, drafts, notes and orders for the payment of money shall be signed by such officer or officers or such other individual or individuals as the Board of Directors may from time to time authorize, and any endorsement of such paper in the ordinary course of business shall be similarly made, except that any officer or assistant officer of the Cooperative may endorse checks, drafts or notes for collection or deposit to the credits of the Cooperative. The signature of any such officer or other individual may be a facsimile when authorized by the Board of Directors.

## ARTICLE VI EARNINGS ALLOCATION ON A COOPERATIVE BASIS

Section 1. Definitions. For purposes of these Bylaws, the following terms are defined as follows:

(a) “Cooperative Basis” means the allocation of Cooperative earnings in proportion to the value in monetary terms of business done by a Patron with the Cooperative. While the Cooperative may conduct business with nonmembers on a Cooperative Basis or on another basis, it is anticipated that the Cooperative will only do business on a Cooperative Basis with its members.

(b) “Cooperative Business” means the providing of groceries and other consumer goods and services to the Cooperative’s Patrons on a nonprofit basis.

(c) “Patron” is a person or entity who does business with the Cooperative on a Cooperative Basis. Because the Cooperative intends to do business on a Cooperative Basis only with its members, it is anticipated that only members will be Patrons.

(d) “Patronage Equity” is the non-cash portion of a Patronage Refund that is reflected in a written notice of allocation as defined in Internal Revenue Code Section 1388. The Board of Directors shall have discretion to credit Patronage Equity in either “qualified” or “nonqualified” form as permitted by the Internal Revenue Code and other applicable law. It is anticipated that Patronage Equity will be credited in the form of a “qualified” written notice of



allocation as defined by the Internal Revenue Code.

(e) “Patronage Refund” is a Patron’s share of the Cooperative’s earnings and may be paid in cash or Patronage Equity.

Section 2. Earnings Allocation. The Cooperative shall account annually to all Patrons for all amounts received from Cooperative Business over and above the cost of providing such services, making reasonable additions to reserves and allowing for dividends on stock paid or payable during the year. The allocation of these earnings among Patrons shall be on a Cooperative Basis. The Cooperative is hereby obligated to pay all such amounts allocated to the Patrons in cash or by credits to each Patron’s Patronage Equity.

Section 3. Records and Documentation. 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, changes in each member’s Patronage Equity are clearly reflected and credited. The Cooperative shall, within 8-1/2 months after the close of each fiscal year, notify each Patron of any changes to the Patron’s Patronage Equity.

## ARTICLE VII EQUITY REDEMPTION

Section 1. Regular Redemption, Revolving Fund. If at any time the Board of Directors determines that the financial condition of the Cooperative will not be impaired thereby, Patronage Equity may be redeemed in full or in part. Any such redemption shall be made in order of priority according to the year in which the Patronage Equity was credited, the Patronage Equity first credited by the Cooperative being the first redeemed.

Section 2. Discretionary Special Redemptions. Notwithstanding any other provision of these Bylaws, the Board of Directors, in its absolute discretion, shall have the power to retire any Patronage Equity credited to a Patron 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.

Section 3. Redemption on Death. The Cooperative shall give priority to redeem Patronage Equity held by deceased persons for the settlement of their estate. The time and method of such redemption shall be determined solely by the Board of Directors, dependent upon the financial condition of the Cooperative. In the case of a corporation or partnership holder of Patronage Equity, such corporation or partnership shall be considered eligible for priority treatment to the same extent as the individual stockholders of such corporation or partners of the partnership would have qualified if each individual stockholder or partner were an individual Patron of the Cooperative. Any redemption shall be made to the corporation or partnership and not to the individual stockholder or partner thereof. Each corporation or partnership shall report to the Cooperative the percentage of ownership interest in the corporation or partnership of each of its stockholders or partners. Failure to report accurately the percentage of individual ownership interest shall disqualify any allocations made to the corporation or partnership by the Cooperative from redemption priority. The amount of any redemption under this Section 3 related to a corporate

or partnership Patron shall be determined by the percentage of ownership interest as reported by the corporation or partnership.

## ARTICLE VIII CONSENT

Section 1. Members' Consent. Each person who hereafter applies for and is accepted to membership in the Cooperative, and each member of the Cooperative on the effective date of these Bylaws who continues as a member after such date, shall, by such act alone, consent that the amount of any distributions which are made in the form of qualified Patronage Equity, and which are received by the member from the Cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in Internal Revenue Code Section 1385(a) in the taxable year in which such qualified Patronage Equity is received by the member.

Section 2. Nonmembers' Consent. If the Cooperative elects to do business on a Cooperative Basis with nonmembers, the Cooperative shall obtain a written consent agreement or use a qualified check as contemplated by Internal Revenue Code Section 1388(c)(2)(A) or (C) with respect to any distributions which are made to a nonmember Patron in the form of qualified Patronage Equity.

## ARTICLE IX NONPATRONAGE INCOME

The nonpatronage income of the Cooperative shall be its gross receipts derived from all sources other than Cooperative Business, less all expenses properly attributable to the production of such nonpatronage income and all income taxes payable on such receipts by the Cooperative. Nonpatronage income shall be used in behalf of the Cooperative and its members in accordance with such lawful purposes, including assignment to an unallocated reserve account and allocation in whole or in part to members, as may be determined by the Board of Directors.

## ARTICLE X LOSSES AND OFFSET RIGHTS

Section 1. Treatment of Cooperative Losses. The Board of Directors shall have complete discretion to determine the handling and ultimate disposition of the Cooperative's losses and the form, priority and manner in which such losses or portions thereof shall be taken into account, retained, and ultimately recouped. The Board may retain the losses of the Cooperative and subsequently apply the losses to prior years' Patronage Equity at any time in order to recoup and dispose of them by means of offset and cancellation against Patronage Equity, or the Board of Directors may select and use any other method of disposition as the Board of Directors, in its sole discretion, shall from time to time determine.

Section 2. Offset Rights. In the discretion of the Board of Directors, no Patronage Refund or dividend on capital stock shall be paid to any Patron who is indebted to the Cooperative until such debt has been paid. Alternatively, the Patronage Refund or dividend may be offset against such Patron's indebtedness, and the balance, if any, remitted to such Patron. The Cooperative shall be deemed to have a security interest in such Patronage Refund to secure such indebtedness.

ARTICLE XI  
DISSOLUTION

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the Cooperative, then, after the payment of its debts, including all outstanding debentures, and the payment to any holders of preferred stock having a dissolution preference on the assets of the Cooperative and to the extent thereof, the holders of common stock shall be entitled to be paid the par value of such stock, plus declared and unpaid dividends thereon. After said common stock has received its par value, plus declared and unpaid dividends thereon, the balance in or unused portion of Patronage Equity shall be returned to Patrons

ARTICLE XII  
MISCELLANEOUS

Section 1. Fiscal Year. The Fiscal Year of the Cooperative shall begin on July 1 of each year and shall end on the 30<sup>th</sup> day of June of the following year.

Section 2. Service Charges. A service charge may be assessed on any checks issued in payment of dividends on capital stock, interest on debentures, redemptions of capital stock, debentures or patronage refund allocations, and patronage refunds paid wholly in cash that are not presented for payment within 120 days of the date of issuance (the “stale date”). The service charge will be assessed at the stale date and annually on the anniversary date of the check issuance date. The amount of the service charge will approximate the cost of special handling and maintaining the account on the Cooperative’s records. This charge will be determined by and reviewed periodically by management. Mailings other than checks related to patron equities that are returned unclaimed may initiate annual service charge assessments on accounts that are not otherwise being assessed service charges. The Cooperative shall through appropriate means endeavor to communicate with members and patrons to advise them of this Bylaw and the rules and regulations established hereunder.

Section 3. Forfeiture and Insufficient Mailing Addresses. In addition to the service charges provided for in Section 2 above, any check issued as described in Section 2 that is not presented for payment within 120 days of the date of issuance because of the payee’s failure to maintain a proper mailing address will result in a cessation of future mailings related to such payee’s equity account. On the third anniversary of the check issuance date, if no correct mailing address for the payee has been located or provided, the payee’s entire account balance shall be forfeited to the Cooperative. The amounts forfeited will include, but not be limited to, common stock, accumulated dividends on common stock, patronage refund allocations (even if not yet called by the Board for redemption), capital book equities or any similar credit reflected on the records of the Cooperative. These forfeiture rules do not apply to debentures or preferred stock.

ARTICLE XIII  
AMENDMENTS

The Bylaws may be adopted, amended or revised by a majority vote of the Board of Directors, or by the vote of two-thirds of the members voting thereon at any regular or special meeting of the members provided that written notice of the proposed Bylaws or Bylaw amendments or revisions shall have been delivered to each member or mailed to the member's last known address as shown by the books of the Cooperative at least ten (10) days prior to any such meeting. The Bylaws made by the Board of Directors may be repealed or changed and new Bylaws made by the members, and the members may prescribe that any Bylaw made by them shall not be altered, amended or repealed by the Board of Directors.

*Last Amended: October 14, 2021*