

**BY-LAWS**  
**of the**  
**DORCHESTER COMMUNITY FOOD CO-OPERATIVE, INC.**  
*A Multistakeholder Food Co-operative*

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Approved by the Dorchester Community Food Co-operative Board of Directors, November 3, 2016.

## Article I: Name

The name of this Co-operative shall be “The Dorchester Community Food Co-operative, Inc.” (the “Co-operative”), and it shall conduct business under the name of “Dorchester Community Food Co-op” or under such other name or names as the Board of Directors of the Co-operative (the “Board of Directors”) may determine. The Board of Directors is authorized to execute and deliver or file such documents and to take such actions as it may consider necessary or advisable to permit and ensure the Co-operative’s right to use such name or names.

## Article II: Purposes

### Section 1: Primary Purposes

The primary purposes for which the Co-operative is formed are:

- a) To engage in the business of selling quality food and other products in a co-operative manner;
- b) To develop an innovative and successful model for community and worker co-operation in food retailing and local economic development;
- c) To create jobs that are secure and educational and that support the dignity of all employees of the Co-operative; and
- d) To engage in any other lawful act or activity which corporations may perform under the General Laws of the Commonwealth of Massachusetts, Title XXII, Chapter 157, Co-operative Corporations.

### Section 2: Co-operative Identity

The Co-operative shall operate in a manner, as determined by the Board of Directors, which advances and is consistent with the co-operative identity as defined by the International Co-operative Alliance:

- a) **Definition:** A co-operative 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.
- b) **Values:** Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.
- c) **Principles:** The co-operative principles are guidelines by which co-operatives put their values into practice:
  - 1) **Voluntary and Open Membership.** Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
  - 2) **Democratic Member Control.** Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. People serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.
  - 3) **Member Economic Participation.** Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is

usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their Co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

- 4) **Autonomy and Independence.** Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their Co-operative autonomy.
- 5) **Education, Training and Information.** Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of co-operation.
- 6) **Co-operation among Co-operatives.** Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.
- 7) **Concern for Community.** Co-operatives work for the sustainable development of their communities through policies approved by their members.

### **Section 3: Principal Place of Business.**

The location of the principal place of business of the Co-operative shall be such place as the Board of Directors may, from time to time, determine (the “Principal Office”). The Co-operative may maintain offices and places of business at such other place or places within or outside the Commonwealth of Massachusetts as the Board of Directors deems advisable. The Board of Directors is authorized and directed to execute and deliver or file such documents and to take such actions as it may consider necessary or advisable to permit the Co-operative to conduct its business in such states.

## **Article III: Membership**

### **Section 1. Classes of Membership.**

There are two classes of Membership. The “Worker” class consists of all worker patrons of the Co-operative as defined herein who have purchased a “Worker Membership Share.” The “Community” class consists of all individual consumer patrons of the Co-operative as defined herein who have purchased a “Community Membership Share.” Membership is limited to natural persons, in keeping with the Articles of Incorporation

### **Section 2. Membership Eligibility and Acceptance.**

Membership in the Co-operative shall be open to any person age 18 or older that supports the purposes of the Co-operative as expressed in the Articles of Organization, these By-laws, and the policies of the Co-operative when the Membership Share is purchased. Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility. An application shall be accepted unless the Board determines in its discretion that the interests of the Co-operative would be better served by returning the subscription. All employees of this Co-operative are eligible for Worker Membership after a suitable vesting period. Any person eligible for Worker Membership shall be ineligible for Community Membership, and vice versa.

### **Section 3. Member Rights.**

Members have the right to elect the Board of Directors of the Co-operative, to attend meetings of the Board, to receive notice of and attend meetings of the Membership, to petition as described in these bylaws, and to approve amendments to these bylaws. Each Member shall have one vote and no more on all matters submitted to Members. The rights of Members shall apply only to active member-owners in good standing. All rights and responsibilities of Members are subject to applicable state law, the bylaws as they maybe amended from time to time, and to policies and decisions of the Co-operative adopted by the Board of Directors.

### **Section 4. Worker Membership Share and Rights.**

- a) **Price.** The price of a Worker Membership Share shall be established in the Articles of Organization unless changed by resolution of the Board of Directors. A Worker Membership Share will function for all intents and purposes as an ownership certificate. Workers who have begun paying for a Membership Share as part of a payroll deduction plan and are in good standing with regard to periodic payments are entitled to all the rights and privileges of Membership, including voting and dividend rights.
- b) **Qualification and Transfer of Shares.** Upon accepting a permanent position with the Co-operative, an employee enters a vesting period. A “permanent position” shall be defined as specific paid role for which there is a job description and the intention by the Co-operative to maintain the position over time. The vesting period shall be six months. Worker Membership Shares in the Co-operative may be purchased, owned, and/or held only by Worker Members of the Co-operative who have completed the vesting period. Each Worker Member may own no more than one Share of Membership Stock, which will entitle its holder to vote in any meeting of the Members according to Article VI of these By-laws. No Worker Member may sell, assign any interest in, or otherwise transfer his or her Membership Share during the period of his or her employment with and membership in the Co-operative. All certificates representing Membership Shares shall, in accordance with the law, have a notation thereon referring to the restrictions governing the transfer of these Shares.
- c) **Termination of Membership.** A Worker Member may terminate his or her membership voluntarily at any time by written notice to the Co-operative. Worker Membership may be terminated involuntarily by the Board for cause after the member-owner 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 Co-operative’s bylaws or policies, actions that will impede the Co-operative from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-operative or its Members, willful obstruction of any lawful purpose or activity of the Co-operative, or breach of any contract with the Co-operative. When a Worker Member voluntarily or involuntarily ends his or her employment in the Co-operative, his or her Membership automatically ends and his or her Worker Membership Share shall be deemed transferred back to the Co-operative. The Co-operative shall redeem the Member’s Share at its original price, after offsetting against the Share price any debts that the Member owes to the Co-operative unless such redemption would impair the Co-operative’s finances as determined by the Board of Directors. If at the time of termination of Worker Membership said Worker Member is deemed by the Board of Directors to be in good standing, he or she is then free to purchase a Community Membership, if so desired, in keeping with the provisions of Section 5: Community Membership Share & Rights.
- d) **Suspension of Member Rights.** The Board of Directors may suspend the voting and other privileges of Membership of a Worker Member if they are delinquent in payments

on their Membership or other provision of these By-Laws or policies after the Worker Member is provided fair notice of the reasons for proposed suspension and has an opportunity to respond in person or in writing. Such privileges may be reinstated upon satisfactory resolution of the issues identified by the Board of Directors in the suspension.

## **Section 5. Community Membership Share and Rights.**

- a) **Price.** The price of a community Membership Share shall be established in the Articles of Organization unless changed by resolution of the Board of Directors. A Membership Share will function for all intents and purposes as an ownership certificate, and the Board of Directors may establish rules for assigning benefits to household members, separate from voting and patronage rights which would remain with the primary member. Community Members who have begun paying for a Membership Share on an installment plan and are in good standing with regard to periodic payments are entitled to all the rights and privileges of Membership, including voting and dividend rights.
- b) **Qualification and Transfer of Shares.** Each Community Member may own no more than one Share of Membership Stock, which will entitle its holder to vote in any meeting of the Members according to Article VI of these By-laws. No Community Member may sell, assign any interest in, or otherwise transfer his or her Membership Share during the period of his or her membership in the Co-operative. All certificates representing Membership Shares shall, in accordance with the law, have a notation thereon referring to the restrictions governing the transfer of these Shares.
- c) **Termination of Community Membership.** A Community Member may terminate his or her membership voluntarily at any time by notice to the Co-operative. A Community Member who remains delinquent in financial obligation for more than one (1) year or who fails to patronize the Co-operative for ten (10) consecutive years shall, upon notice by the Co-operative, be considered to have voluntarily terminated membership. Community 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 Co-operative's bylaws or policies, actions that will impede the Co-operative from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-operative or its Members, willful obstruction of any lawful purpose or activity of the Co-operative, or breach of any contract with the Co-operative. When a Community Member ends his or her Membership in the Co-operative either voluntarily or involuntarily, his or her Membership Share shall be deemed transferred back to the Co-operative. The Co-operative shall redeem the Member's Share at its original price, after offsetting against the Share price any debts that the Member owes to the Co-operative unless such redemption would impair the Co-operative's finances as determined by the Board of Directors.
- d) **Suspension of Member Rights.** The Board of Directors may suspend the voting and other privileges of Membership of a Community Member if they are delinquent in payments on their Membership or other provision of these By-Laws or policies after the Community Member is provided fair notice of the reasons for proposed suspension and has an opportunity to respond in person or in writing. Such privileges may be reinstated upon satisfactory resolution of the issues identified by the Board of Directors in the suspension.

## Article IV: Finance

### Section 1. Financial Operation.

The Co-operative shall operate on a co-operative basis and shall allocate earnings and losses related to Member Patronage to its Members on the basis of the business done with or for Members as described in these Bylaws. Thus, in accordance with Subchapter T of the Internal Revenue Code, this Co-operative may declare a Patronage Dividend to be distributed among the Members in accordance with the total amount of Patronage made by each Member during the preceding fiscal year. For Community Members, Patronage is defined as the total dollar amount of purchases made at the Co-operative by such Community Member; for Worker Members, Patronage is defined as the total number of hours worked at the Co-operative by such Worker Member. Non-Patronage earnings may be placed in an unallocated reserve.

### Section 2. Patronage Dividend.

The Patronage dividend shall be determined by the Board of Directors and shall be paid in cash, property or written notices of allocations as defined in Subchapter T of the Internal Revenue Code. Each Member shall have an internal capital account in his or her name (an "Internal Account"). The surplus earnings of the Co-operative from revenue generated after paying taxes, interest on loans, and allocations to the Reserve Fund (See Section 10 below) shall be allocated to Members as a Patronage dividend. Unless otherwise decided by the Board of Directors, the Patronage dividend shall be credited to the Members' Internal Accounts. At least 20% of each year's Patronage dividend must be paid out in cash/check to Members.

- a) **Community Member Patronage.** Fifty percent (50%) of any Patronage dividend declared shall be allocated to Community Members in proportion to an individual Community Member's purchases as a proportion of total Community Member purchases in a given fiscal year (exclusive of non-Member purchases).
- b) **Worker Member Patronage.** Fifty percent (50%) of any Patronage dividend declared shall be allocated to Worker Members in proportion to an individual Worker Member's hours worked as a proportion of total Worker Member hours worked in a given fiscal year (exclusive of non-Member hours worked).

### Section 3. Equity Capital.

The Board of Directors shall manage the Co-operative's equity capital in a way to preserve and build upon the Co-operative's financial position while also allowing for redemptions of equity as and when the Co-operative has the financial strength to redeem equity. The Board of Directors may, from time to time, establish policies for redeeming equities, stock, or other forms of equity used for qualified or non-qualified notices of allocation, or the Board of Directors may eliminate equity redemption policies in favor of a capital management policy. Any of these policies may contain offers of discounts or required retentions of capital as part of any redemption of allocated equity. The Board of Directors retains the power to amend, modify or repeal these policies and may do so retroactively, all in the sole discretion of the Board of Directors. For example, if the application of a policy to a specific circumstance suggests that the equity of a deceased Member should be paid to the Member's estate, the Board of Directors retains the right and power to determine whether to approve the expenditure. In each case, the Board of Directors may refuse any expenditure(s) if the Board of Directors determines that such expenditure(s) is (are) not in the interest of the Co-operative. Therefore, no equity redemption policy shall be interpreted to require any expenditure of capital and the Board of Directors retains all right and power to the final review and approval of each expenditure of capital for any redemption of equity. No person shall have any right whatsoever to require the retirement or redemption of their membership equities except in accordance with their term, or of any allocated capital reserve. Any redemption or

retirement is solely within the discretion and on such terms as determined from time to time by the Board of Directors of this Co-operative.

#### **Section 4. Reserve Fund.**

A portion of the Co-operative's net worth shall be maintained as a reserve fund (the "Reserve Fund") that will serve to protect Members and creditors from any operating losses that the Co-operative might incur. The Board of Directors will prior to any given fiscal year determine the proportion of the Co-operative's surplus or deficit that will be allocated to the Reserve Fund, with the remainder of the surplus or loss to be allocated to the Members. The allocation of annual Patronage earnings that can be placed into an unallocated Reserve Fund shall be capped at 30% of patronage earnings for any given year, unless otherwise determined by the Board of Directors.. The proportion of Patronage dividends to be paid in cash and the proportion to be paid as a non-cash allocation to internal accounts shall be as periodically set by the Board of Directors.

#### **Section 5. Consent to Take Patronage Distributions Into Income.**

Each person, who hereafter applies for and is accepted to Membership in this Co-operative and each Member of this Co-operative as of the effective date of these Bylaws who continues as a Member after such date shall, by such act alone, consent and be deemed to have consented to the fact that the amount of any distributions with respect to its Patronage which are made in written notices of allocation (as defined in 26 U.S.C. § 1388), and which are received by the Member from this Co-operative, will be taken into account by the Member at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a) in the taxable year in which the written notices of allocation are received by the Member.

### **Article V: Loans from Individuals**

#### **Section 1. Issue.**

The Board of Directors is granted authority to authorize one or more series of loans from individuals to fix and determine with respect to each series:

- (a) The designation of such series and the limitation, if any, on the number and amount of loans which may be solicited;
- (b) The terms and conditions on which the principal will be repaid; and
- (c) The rate of interest and the terms and conditions on which it will be paid.

Except as may be otherwise provided in the resolutions providing for the issue of a particular series, the Board of Directors may from time to time increase the number and amount of loans of any series already created. All loans to individuals of all series shall be of equal rank and be identical in all respects except in respect to the particulars which may be fixed by the Board of Directors as herein above noted.

#### **Section 2. Early Repayment.**

The Co-operative by action of its Board of Directors may repay the whole or any part of the loans from individuals, at any time by repaying the principal and any unpaid interest accumulated up until the date of repayment.

#### **Section 3. Transfer.**

All loans may be transferred only back to the Co-operative.

#### **Section 4. Eligibility.**

Loan offers will be made only to persons, entities and organizations who the Co-operative has reasonable grounds to believe, and does believe, either have such knowledge and experience in

financial and business matters to be capable of evaluating the merits and risks of the loan, or are able to bear the economic risks of the loan.

#### **Section 5. Lack of Registration.**

Loans from individuals are not registered under the Securities Act of 1933, as amended, or the Commonwealth of Massachusetts Securities Act. Each Loan Agreement shall bear a legend to that effect.

#### **Section 6. Disclosure.**

All loan offers shall be accompanied by a Securities Disclosure Statement that describes the Co-operative and the risks associated with the loan.

#### **Section 7. Dissolution.**

Upon dissolution or distribution of the assets of the Co-operative all loans shall be repaid before any distribution is made on the common stock held by the Members.

### **ARTICLE VI: NON-VOTING SHARES**

#### **Section 1. Class B Shares**

Per the Articles of Organization of the Co-operative, the Board of Directors may by resolution establish and issue to any person (whether member, nonmember patron, or other person) one or more classes or series of non-voting Preferred Stock, may set forth the designation of classes or series of such Preferred Stock, and may fix the relative rights, preferences, privileges and limitations of each class or series of Preferred Stock. If so specified by the Board of Directors at the time, the issuance of a series or class of Preferred Stock is approved. The Preferred Stock shall not be subject to any lien created in favor of the Co-operative in the Co-operative's Bylaws. No dividends shall be paid on Common Stock of any class. Dividends on Preferred Stock shall be at a rate per annum established by the Board of Directors and shall be non-cumulative, except that dividends on any series or class of Preferred Stock may be cumulative if so specified by the Board of Directors at the time the issuance of the preferred stock is approved. Dividends payable on any series or class of Preferred Stock shall be deducted in determining annual net earnings if and to the extent specified by the Board of Directors at the time the issuance of the Preferred Stock is approved. Subject to any restrictions approved by the Board of Directors at the time the issuance of the Preferred Stock is approved, any series or class of Preferred Stock may be retired in whole or in part at any time as determined by the Board of Directors upon payment of the par value thereof, which shall be the original share price designated for the preferred stock plus any unpaid dividends declared thereon. In case of dissolution or liquidation, the owners of Preferred Stock shall be entitled and limited to receive the par value of their stock, which shall be the original share price designated for the preferred stock plus any unpaid dividends declared thereon before any payment is made to the holders of Common Stock.

### **ARTICLE VII: Member Meetings**

#### **Section 1. Powers.**

All powers of the Co-operative originate from the Members of the Co-operative. The Members exercise their powers through representatives elected by them who are called directors ("Directors"). The Directors may be recalled and replaced at any time by the majority vote of the Members at a meeting of the Members duly called and held in accordance with the terms hereof.



## **Section 2. Annual Meeting.**

The Annual Meeting of the Members of the Co-operative (the "Annual Meeting") shall be held in Dorchester, MA, at the offices of the Co-operative, or at any other appropriate place within Suffolk County at such time as the Board of Directors shall determine, within six (6) months after the close of each fiscal year.

## **Section 3. Special Meetings.**

Special meetings of the Members of the Co-operative may be called at any time by order of the Board of Directors, and shall be called by the Board of Directors at any time upon written request of at least one-third of the Worker Members and/or 15% of active Community Members. The request shall state the time, place, and objective of the meeting. Notice of special meetings shall be issued to member-owners. 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 transacted at special meetings other than what is described in the posted notices.

## **Section 4. Notice of Meetings.**

Written or printed notice of every regular and special meeting of Members shall be given to all Members, as appropriate, personally, by mail at their last known address, or by e-mail at their last known address at least ten (10) days, and not more than thirty (30) days, prior to the date of the meeting.

## **Section 5. Voting.**

Members shall vote only in the election and recall of Directors and on other such matters not constituting formal action of the Members of the Co-operative, including advisory questions, as may be put before the Members by the Directors or any matters by the initiative of the Members and on such matters as required by law. At any regular or special meeting legally called, a written and signed vote by any absent Member may be submitted if such Member has been previously notified in writing of the exact motion or resolution upon which the vote is taken together with notice of the meeting at which the motion or resolution shall be voted on. Members represented by ballot or signed vote shall be counted in computing a quorum but only on those questions on which the ballot or signed vote is taken.

## **Section 6. Quorum.**

A quorum at a Member meeting shall be calculated separately for each Membership class, and each class for which a quorum is present may conduct its proper business. A quorum shall be 5% or 25 Members, whichever is less, for Community Members and 20% for Worker Members.

## **Section 7. Action Without a Meeting.**

Any action which may be taken at any regular or special meeting of Members may be taken without a meeting if the Co-operative distributes a written ballot to every Member entitled to vote on the matter. That ballot and any related material may be sent by electronic transmission by the Co-operative and responses may be returned to the Co-operative by electronic transmission to the Co-operative. That ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the corporation. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by

which the ballot must be received in order to be counted. Directors may be elected by written ballot under this section.

## **Article VIII: Board of Directors**

### **Section 1. Number.**

The general powers to manage the affairs of the Co-operative are delegated by the Membership to a Board of Directors made up of up nine (9) Members in good standing

### **Section 2. Composition of Board of Directors.**

The Board of Directors shall consist of the following:

- a. Four (4) Directors elected by the Worker Members;
- b. Four (4) Directors elected by the Community Members; and
- c. One (1) Director elected by the full Membership (Worker and Community Members), from among either Member Class.

### **Section 3. Eligibility.**

The Directors shall accept any Community Member or Worker Member in good standing as a candidate for election to the appropriate class of the Board of Directors. Notwithstanding the foregoing, before the Co-operative opens a retail store, Worker Member seats on the Board of Directors may be held by Community Members until such time as a sufficient number of Worker Members are available for candidacy for the Board of Directors. A sufficient number of Worker Members will be deemed to exist no later than six months after the opening date of a retail store. At the Annual Meeting that follows the date at which a sufficient number of Worker Members exists the three Board seats whose terms end will be considered Worker Member seats and those seats will only be available to Worker Members. The remaining Worker Member seat on the Board will be filled at the following Annual Meeting.

### **Section 4. Election of Directors.**

Directors will be elected at the Annual Meeting of the Members by a simple majority of the Members entitled to vote for such Director. Members may vote only for that class of Directors of which they are a part. Members unable to attend the Annual Meeting may vote with a signed absentee ballot received by the time of the vote.

### **Section 5. Term of Office.**

Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. No Director may serve more than three (3) consecutive terms. Such a Director may again stand for election after one year off the Board of Directors.

### **Section 6. Removal of Directors.**

Any Director may be removed from office with or without cause by a vote of two thirds (2/3) of the remaining members of the Board of Directors. Any elected Director may be removed from office with or without cause by a vote of not less than two-thirds (2/3) of the Membership class from which the director had been elected. If at any time a Board Member ceases to be a Member of the Co-operative, said Board Member will automatically be removed from the Board of Directors.

### **Section 7. Vacancies.**

In the event of any vacancy in the Board of Directors through death, resignation, or other cause, the remaining Directors may, by a majority vote, elect a successor to hold office until the next Annual Meeting, at which time a Director shall be elected to complete the terms of the Director whose place was vacant. The Board of Directors shall appoint an individual who is qualified to represent the Membership Class represented by the previous Director. In the event of a vacancy in an appointed position on the Board of Directors, the remaining directors may appoint, by a process of their determining, a replacement Director to fulfill the remaining term of the Director whose place was vacant. Candidates for the appointed position must in all other respects be qualified to serve as a Director of the Co-operative.

### **Section 8. Duties of the Board of Directors.**

The duties and powers of the Board of Directors shall include all powers given a corporation under the laws of the Commonwealth of Massachusetts, consistent with the laws of the United States and with the Co-operative's Articles of Organization and these By-laws.

### **Section 9. Initial Board of Directors.**

The initial Board of Directors shall be the Incorporators of the Co-operative and shall hold office until their successors are duly elected. The initial Board of Directors shall decide by lot or otherwise as they deem best, the duration of the term of each initial Director so that the staggering of terms can be initiated. Worker Member seats on the Board of Directors shall be held by Community Member Directors until such time as there are sufficient Worker Members available for candidacy for the Board of Directors, in keeping with the provisions of Article XIII, section 3.

## **Article IX: Meeting of the Board of Directors**

### **Section 1. Place of Meetings.**

All meetings of the Board of Directors shall be held at the Co-operative's offices or at such other place as the Board of Directors, from time to time, may determine.

### **Section 2. Regular Meetings.**

Regular meetings of the Board of Directors shall be held immediately after the Annual Meeting of Members and thereafter, at such time and date as may be fixed by the Directors. Notice and agenda for regular meetings of the Board of Directors shall be delivered to Board Members not less than 5 days before the meeting. A meeting of the Board of Directors may be rescheduled up to 2 days in advance of the originally scheduled meeting, provided every Board Member agrees to the change and that all Membership classes are represented. If a rescheduled meeting causes a Board Member to be unable to attend, that absence will not count against quorum.

### **Section 3. Special Meetings.**

Special meetings of the Board of Directors may be called by any four Directors. Notice for special meeting shall state the purposes of the meeting, and no other business shall be transacted except with unanimous consent of the Directors. Notice shall be mailed, emailed, or delivered not less than 5 business days before special meetings.

### **Section 4. Quorum.**

A quorum for the transaction of business at any meeting will exist if a majority of the Directors are present and at least one Director from each membership class is present.

## **Section 5. Official Acts of the Board of Directors**

Each of the official acts of the Board of Directors shall be by a majority vote of a quorum of the Directors present and shall be recorded with the yeas and nays of each Director or the unanimous approval thereon in the minutes of the Co-operative.

## **Section 6. Executive Session.**

The Board of Directors may choose to meet in executive session for the purposes of discussion of personnel matters, litigation or confidential negotiations.

## **Section 7. Action Without Meeting.**

The Board of Directors may take action without a meeting if all Directors individually or collectively consent in writing to the action. The written consents shall be filed with the minutes of the Board of Directors' meetings. Action by written consent has the same force and effect as a unanimous vote of the directors.

## **Section 8. Committees.**

The Board of Directors may designate one or more committees, each committee to consist of two (2) or more of the Directors of the Co-operative. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Co-operative, but no such committee shall have the power or authority in reference to (a) adopting, amending or repealing the By-Laws of the Co-operative or (b) approving or adopting, or recommending to the Members any action or matter expressly required by law to be submitted to Members for approval. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and make such reports to the Board of Directors as the Board of Directors may request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the Directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the conduct of its business by the Board of Directors.

## **Article X: Officers**

### **Section 1. Officers.**

The Officers of the Co-operative shall consist of a President, Vice President, a Clerk, a Treasurer, and any other officers as the Board of Directors may, from time to time, determine.

### **Section 2. Election.**

The Officers shall be elected by the Board of Directors for terms of one (1) year.

### **Section 3. Qualifications.**

Each Officer shall be a member of the Board of Directors.

### **Section 4. Removal.**

Any Officer may be removed from office with or without cause by a vote of a majority of a quorum of the Board of Directors present at any meeting, the notice for which shall include such purpose.

### **Section 5. Duties of the President.**

The President will be responsible for the integrity of the Board of Directors' governance.

**Section 6. Duties of the Vice President.** The Vice President will assume responsibilities of the President in the absence of the President and preside at meetings of the Board of Directors when the President is unable, and assume other duties as requested and agreed upon.

**Section 7. Duties of the Clerk.**

The Clerk will be responsible for the integrity of the Board of Directors' documents and will preside at meetings of the Board of Directors in the event of the absence of the President and Vice President.

**Section 8. Duties of the Treasurer**

The Treasurer will ensure that financial reports are prepared for and presented to the Board in a timely manner, and will fulfill other duties as requested by the Board.

**Article XI: Miscellaneous Provisions**

**Section 1. Adoption and Form of Seal.**

The Board may but is not required to adopt a seal of the Co-operative which shall contain the name of the Co-operative in the form as impressed in the margin hereof

**Section 2. Fiscal Year**

The fiscal year of the Co-operative shall be January 1 to December 31<sup>st</sup> of a given year, per the Articles of Organization of the Co-operative.

**Section 3. Indemnification of Directors.**

The Co-operative shall indemnify each person who has, does or will serve as a Director or Officer of the Co-operative and their heirs and personal representatives against any and all costs and expenses, including but not limited to, counsel fees, judgments paid, and amounts paid in settlement, that are actually and reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative or otherwise in nature, in which he or she may be involved by reason of being or having been a Director or Officer of the Co-operative. No indemnification shall be made as to matters which such Director or Officer shall be adjudged in any action, suit or proceeding to be liable for his or her own fraud or willful misconduct in the performance of a duty to the Co-operative or a duty under federal or state laws. A conviction or judgment, whether based on a plea of guilty or nolo contendere or its equivalent, or after trial, in a criminal action, suit or proceeding shall not be deemed an adjudication of liability for fraud or willful misconduct in the performance of duty to the Co-operative, if such Officer or Director acted in good faith in what he or she considered to be the best interests of the Co-operative.

**Section 4. Amendments to By-laws.**

The By-laws of the Co-operative may be altered, rescinded, or amended if approved first by a vote of two-thirds of the Directors and second by a vote of two-thirds of the Community Members present and/or voting and by a vote of two-thirds of the Worker Members present and/or voting. Members may petition for amendments to the By-laws in keeping with the provisions of these bylaws.

**Section 5. Majority Vote.**

All decisions referred to in these By-laws are made by majority vote unless otherwise indicated.

**Section 6. Conflict of Interest.**

Directors shall be under an obligation to periodically disclose their actual or potential conflicts of interest. The Board of Directors, having heard statement of such a conflict, may require said Director to recuse themselves from decision of any related matter under consideration by the Board. Directors may not do business with the Co-operative except in the same manner as other members generally do business with the Co-operative or under other conditions that are procedurally defined to avoid preferential treatment.

**Section 7. Dissolution.**

The Co-operative 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 Co-operative, 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) payment of the original issue price of preferred stock and any cumulated but unpaid dividends; (iv) payment of the original price of the common stock; (v) by distributing any remaining assets to a co-operative or a co-operative support organization in a way that furthers the Co-operative's mission, as determined by the Board.

Adopted Effective: November 3, 2016

Board of the Dorchester Community Food Co-operative:

Nancy Lee, Davida Andelman, Johnny Charles, Jenny Silverman, Heleneke Mulder, Chanie Infante, Alison Brown, Ricky Guerra, Andre Dixon

Darnell Adams (Project Manager)