

# WHOLESOME HARVEST CO-OP

## BYLAWS

### ARTICLE I.

#### MEMBER-OWNERS

**SECTION 1.01. *Annual Meeting.*** The Co-op shall hold an annual meeting of its member-owners to elect directors and transact any other business within its powers, either at   :    .m. on the            of        in each year if not a legal holiday, or at such other time on such other day falling on or before the 30th day thereafter as shall be set by the Board of Directors. Except as the Charter or statute provides otherwise, any business may be considered at an annual meeting without the purpose of the meeting having been specified in the notice. Failure to hold an annual meeting does not invalidate the Co-op's existence or affect any otherwise valid corporate acts.

**SECTION 1.02. *Special Meeting.*** At any time in the interval between annual meetings, a special meeting of the member-owners may be called by the President or by a majority of the Board of Directors by vote at a meeting or in writing (addressed to the Secretary of the Co-op) with or without a meeting. Special meetings of the member-owners shall be called by the Secretary at the request of the member-owners only on the written request of member-owners entitled to cast at least 10% of all the votes entitled to be cast at the meeting and then only as may be required by law. The Board of Directors shall have sole power to fix the date and time of the special meeting.

**SECTION 1.03. *Place of Meetings.*** Unless the Charter provides otherwise, meetings of member-owners shall be held at such place as is set from time to time by the Board of Directors.

**SECTION 1.04. *Notice of Meetings; Waiver of Notice.*** Not less than 15 nor more than 90 days before each member-owners' meeting, the Secretary shall give written notice of the meeting to each member-owner entitled to vote at the meeting and each other member-owner entitled to notice of the meeting. The notice shall state the time and place of the meeting, the means of remote communication, if any, and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a member-owner when it is personally delivered to him or her, left at his or her residence or usual place of business, or mailed to him or her at his or her address as it appears on the records of the Co-op or transmitted to the member-owner by electronic mail to any electronic mail address of the member-owner or by any other electronic means. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he or she, before or after the meeting, signs a waiver of the notice which is filed with the records of member-owners' meetings, or is present at the meeting in person or by proxy.

**SECTION 1.05. *Quorum; Voting.*** Unless any statute or the Charter provides otherwise, at a meeting of member-owners the presence in person or by proxy of member-owners entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and a

majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director.

**SECTION 1.06. *Adjournments.*** Whether or not a quorum is present, a meeting of member-owners convened on the date for which it was called may be adjourned from time to time without further notice by a majority vote of the member-owners present in person or by proxy to a date not more than 120 days after the original record date. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be present.

**SECTION 1.07. *General Right to Vote; Proxies.*** Each outstanding member-ownership interest is entitled to one vote on each matter submitted to a vote at a meeting of member-owners; however, a member-owner is not entitled to vote if any installment payable on such member-owner's interest is overdue and unpaid. A member-owner may sign a writing authorizing another person to act as proxy. Signing may be accomplished by the member-owner or the member-owner's authorized agent signing the writing or causing the member-owner's signature to be affixed to the writing by any reasonable means, including facsimile signature. A member-owner may authorize another person to act as proxy by transmitting, or authorizing the transmission of, an authorization by a telegram, cablegram, datagram, electronic mail, or any other electronic or telephonic means to the person authorized to act as proxy or to any other person authorized to receive the proxy authorization on behalf of the person authorized to act as the proxy, including a proxy solicitation firm or proxy support service organization. Unless a proxy provides otherwise, it is not valid more than 11 months after its date. A proxy is revocable by a member-owner at any time without condition or qualification unless the proxy states that it is irrevocable and the proxy is coupled with an interest. A proxy may not be made irrevocable.

**SECTION 1.08. *List of Member-Owners.*** At each meeting of member-owners, a full, true, and complete list of all member-owners entitled to vote at such meeting shall be furnished by the Secretary.

**SECTION 1.09. *Conduct of Business and Voting.*** At all meetings of member-owners, unless the voting is conducted by inspectors, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies, the acceptance or rejection of votes, and procedures for the conduct of business not otherwise specified by these Bylaws, the Charter, or law, shall be decided or determined by the chairperson of the meeting. If demanded by member-owners, present in person or by proxy, entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairperson of the meeting, the vote upon any election or question shall be taken by ballot and, upon like demand or order, the voting shall be conducted by two inspectors, in which event the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided, by such inspectors. Unless so demanded or ordered, no vote need be by ballot and voting need not be conducted by inspectors. The member-owners at any meeting may choose an inspector or inspectors to act at such meeting by a majority vote of member-owners present at the meeting, and in default of such election the chairperson of the

meeting may appoint an inspector or inspectors. No candidate for election as a director at a meeting shall serve as an inspector thereat.

**SECTION 1.10. *Informal Action by Member-Owners.*** Except as provided below, any action required or permitted to be taken at a meeting of member-owners may be taken without a meeting if a unanimous written consent which sets forth the action and is signed by each member-owner entitled to vote on the matter is filed with the records of member-owner meetings.

**SECTION 1.11. *Meeting by Conference Telephone.*** Member-owners may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

**SECTION 1.12. *Eligibility.*** Member-ownership in the Co-op shall be open to any individual or legal entity who is in accord with its purposes and is willing to accept the responsibilities of member-ownership.

**SECTION 1.13. *Nondiscrimination.*** Member-ownership shall be open without discrimination on the basis of race, color, religion, age, sex, gender identity, national origin, marital status, disability, sexual orientation, economic situation, political affiliation, or any other characteristic that does not pertain to a person's eligibility.

**SECTION 1.14. *Rights of Member-Ownership.*** The Rights of Member-ownership are as follows:

- A) Each member-owner in good standing is entitled to one vote.
- B) Member-ownership rights may only be transferred in accordance with the Charter.
- C) Each member-owner in good standing is entitled to attend member-ownership meetings and meetings of the Board.
- D) Each member-owner in good standing is eligible to petition as described in these Bylaws and to approve amendments to these Bylaws.

**SECTION 1.15. *Responsibilities of Member-Ownership.*** In order to be considered an active member-owner in good standing, a member-owner is responsible to:

- A) Keep current in equity investments owed to the Co-op.
- B) Keep the Co-op informed of any changes in name or current address.
- C) Patronize the Co-op.
- D) Abide by these Bylaws and the policies and decisions of the Co-op or the Board.

**SECTION 1.16. *Resignation of Member-Ownership.*** Member-owners may resign at any time by submitting a written and signed resignation to the Board. Equity may be returned upon termination of member-ownership in the Co-op, under terms determined by the Board, provided that the Board has determined that the equity is no longer needed by the Co-op.

**SECTION 1.17. *Termination of Member-Ownership.*** Member-ownership may be terminated involuntarily by the Board for cause after the member-owner is provided fair notice of the reason(s) for the proposed termination and has an opportunity to respond in person or in writing. Termination requires a majority vote of the Board. Cause may include intentional or repeated violation of any provision of the Co-op's Bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, willful obstruction of any lawful purpose or activity of the Co-op, breach of any contract with the Co-op, or failure to patronize the Co-op for more than three (3) years.

**SECTION 1.18. *Unclaimed Equity.*** If a member-owner voluntarily or involuntarily terminates member-ownership in the Co-op and fails to inform the Co-op of her or his mailing address within thirty (30) days of such termination, then the equity and patronage divided amount allocated to that member-owner will be retained by the Co-op or donated to a non-profit to the extent authorized by law.

## **ARTICLE II.**

### **BOARD OF DIRECTORS**

**SECTION 2.01. *Function of Directors.*** The business and affairs of the Co-op shall be managed under the direction of its Board of Directors. All powers of the Co-op may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the member-owners by statute or by the Charter or Bylaws.

**SECTION 2.02. *Number of Directors.*** The Co-op shall have at least seven directors. The Co-op shall have the number of directors provided in the Charter until changed as herein provided. A majority of the entire Board of Directors may alter the number of directors set by the Charter to not exceeding nine nor less than the minimum number then permitted herein, but the action may not affect the tenure of office of any director.

**SECTION 2.03. *Election and Tenure of Directors.*** The member-owners shall elect directors to hold office. Elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of two (2) years and shall serve staggered terms so that approximately one-half (1/2) of the Board is elected each year. No Director may serve more than three (3) consecutive terms.

**SECTION 2.04. *Removal of Director.*** Unless statute or the Charter provides otherwise, the member-owners may remove any director, with or without cause, by the affirmative vote of a majority of all the votes entitled to be cast generally for the election of directors.

**SECTION 2.05. *Vacancy on Board of Directors.*** The member-owners may elect a successor to fill a vacancy on the Board of Directors which results from the removal of a director. A director elected by the member-owners to fill a vacancy which results from the removal of a director serves for the balance of the term of the removed director. A majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on

the Board of Directors which results from any cause except an increase in the number of directors, and a majority of the entire Board of Directors may fill a vacancy which results from an increase in the number of directors. A director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of member-owners and until his or her successor is elected and qualifies.

**SECTION 2.06. *Regular Meetings.*** After each meeting of member-owners at which directors shall have been elected, the Board of Directors shall meet as soon thereafter as practicable for the purpose of organization and the transaction of other business. In the event that no other time and place are specified by resolution of the Board of Directors or announced by the President at such member-owner meeting, the Board of Directors shall meet immediately following the close of, and at the place of, such member-owner meeting. Any other regular meeting of the Board of Directors shall be held on such date and time and at such place as may be designated from time to time by the Board of Directors. No notice of such meeting following a member-owner meeting or any other regular meeting shall be necessary if held as hereinabove provided.

**SECTION 2.07. *Special Meetings.*** Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors. In the absence of designation such meeting shall be held at such place as may be designated in the call.

**SECTION 2.08. *Notice of Meeting.*** Except as provided in Section 2.06, the Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him or her, left at his or her residence or usual place of business, or sent by telegraph, facsimile transmission, or telephone, at least 72 hours before the time of the meeting or, in the alternative by mail to his or her address as it shall appear on the records of the Co-op, at least 96 hours before the time of the meeting. Unless these Bylaws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

**SECTION 2.09. *Quorum; Action by Directors.*** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have

been transacted at the meeting as originally notified. Unless statute or the Charter or Bylaws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is action of the Board of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each member-owner of the Board of Directors and filed with the minutes of proceedings of the Board of Directors.

**SECTION 2.10. *Meeting by Conference Telephone.*** Member-owners of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

**SECTION 2.11. *Compensation.*** By resolution of the Board of Directors a fixed sum and expenses, if any, for attendance at each regular or special meeting of the Board of Directors or of committees thereof, and other compensation for their services as such or on committees of the Board of Directors, may be paid to directors. Directors who are full-time employees of the Co-op need not be paid for attendance at meetings of the Board of Directors or committees thereof for which fees are paid to other directors. A director who serves the Co-op in any other capacity also may receive compensation for such other services, pursuant to a resolution of the directors.

### ARTICLE III.

### COMMITTEES

**SECTION 3.01. *Committees.*** The Board of Directors may appoint from among its member-owners an Executive Committee, an Audit Committee, a Steering Committee, and other committees composed of one or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to authorize member-ownership interests, elect directors, issue member-ownership interests other than as provided in the next sentence, recommend to the member-owners any action which requires member-owner approval, other than the election of directors, amend these Bylaws, or approve any merger or share exchange which does not require member-owner approval other than the election of directors.

**SECTION 3.02. *Committee Procedure.*** Each committee may fix rules of procedure for its business. A majority of the member-owners of a committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The member-owners of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member-owner. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each member-owner of the committee and filed with the minutes of the committee. The member-owners of a committee may conduct any meeting thereof by conference telephone in accordance with the provisions of Section 2.10.

**SECTION 3.03. *Emergency.*** In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Co-op by its directors and officers as contemplated by the Charter and these Bylaws, any two or more available member-owners of the then incumbent Executive Committee shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Co-op in accordance with the provisions of Section 3.01. In the event of the unavailability, at such time, of a minimum of two member-owners of the then incumbent Executive Committee, the available directors shall elect an Executive Committee consisting of any two member-owners of the Board of Directors, whether or not they be officers of the Co-op, which two member-owners shall constitute the Executive Committee for the full conduct and management of the affairs of the Co-op in accordance with the foregoing provisions of this Section. This Section shall be subject to implementation by resolution of the Board of Directors passed from time to time for that purpose, and any provisions of these Bylaws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary resolutions shall be suspended until it shall be determined by any interim Executive Committee acting under this Section that it shall be to the advantage of the Co-op to resume the conduct and management of its affairs and business under all the other provisions of these Bylaws.

#### **ARTICLE IV.**

#### **OFFICERS**

**SECTION 4.01. *Executive and Other Officers.*** The Co-op shall have a President, a Secretary, and a Treasurer. The Board of Directors may designate a chief executive officer, who shall have general supervision of the business and affairs of the Co-op, and may designate a chief operating officer, who shall have supervision of the operations of the Co-op. The President shall be the chief executive officer and may be the chief operating officer. The same person may hold both offices. The Co-op may also have one or more Vice-Presidents, assistant officers, and subordinate officers as may be established by the Board of Directors. A person may hold more than one office in the Co-op except that no person may serve concurrently as both President And Vice-President of the Co-op. The officers may be directors.

**SECTION 4.02. *President.*** Unless otherwise provided by resolution of the Board of Directors, the President, shall preside at all meetings of the Board of Directors and of the member-owners at which he or she shall be present. Unless otherwise specified by the Board of Directors, the President shall be the chief operating officer of the Co-op and perform the duties customarily performed by chief operating officers. He or she may execute, in the name of the Co-op, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Co-op. In general, he or she shall perform such other duties customarily performed by a president of a corporation and shall perform such other duties and have such other powers as are from time to time assigned to him or her by the Board of Directors or the chief executive officer of the Co-op.

**SECTION 4.03. *Vice-Presidents.*** The Vice-President or Vice-Presidents, at the request of the chief executive officer or the President, or in the President's absence or during his or her inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. If there be more than one Vice-President, the Board of Directors may determine which one or more of the Vice-Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the chief executive officer, or the President may make such determination; otherwise any of the Vice-Presidents may perform any of such duties or exercise any of such functions. Each Vice-President shall perform such other duties and have such other powers, and have such additional descriptive designations in their titles (if any), as are from time to time assigned to them by the Board of Directors, the chief executive officer, or the President.

**SECTION 4.04. *Secretary.*** The Secretary shall keep the minutes of the meetings of the member-owners, of the Board of Directors, and of any committees, in books provided for the purpose; he or she shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; he or she shall be custodian of the records of the Co-op; he or she may witness any document on behalf of the Co-op, the execution of which is duly authorized, see that the corporate seal is affixed where such document is required or desired to be under its seal, and, when so affixed, may attest the same. In general, he or she shall perform such other duties customarily performed by a secretary of a corporation, and shall perform such other duties and have such other powers as are from time to time assigned to him or her by the Board of Directors, the chief executive officer, or the President.

**SECTION 4.05. *Treasurer.*** The Treasurer shall have charge of and be responsible for all funds, securities, receipts, and disbursements of the Co-op, and shall deposit, or cause to be deposited, in the name of the Co-op, all moneys or other valuable effects in such banks, trust companies, or other depositories as shall, from time to time, be selected by the Board of Directors; he or she shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Co-op. In general, he or she shall perform such other duties customarily performed by a treasurer of a corporation, and shall perform such other duties and have such other powers as are from time to time assigned to him or her by the Board of Directors, the chief executive officer, or the President.

**SECTION 4.06. *Assistant and Subordinate Officers.*** The assistant and subordinate officers of the Co-op are all officers below the office of Vice-President, Secretary, or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors, the chief executive officer, or the President.

**SECTION 4.07. *Election, Tenure, and Removal of Officers.*** The Board of Directors shall elect the officers of the Co-op. The Board of Directors may from time to time authorize any committee or officer to appoint assistant and subordinate officers. Election or appointment of an officer, employee, or agent shall not of itself create contract rights. All officers shall be appointed to hold their offices, respectively, during the pleasure of the Board of Directors. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board of Directors) may remove an officer at any time. The removal of an officer does not prejudice any of his or her contract rights. The Board of Directors (or, as to any



assistant or subordinate officer, any committee or officer authorized by the Board of Directors) may fill a vacancy which occurs in any office for the unexpired portion of the term.

**SECTION 4.08. *Compensation.*** The Board of Directors shall have power to fix the salaries and other compensation and remuneration, of whatever kind, of all officers of the Co-op. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Co-op. The Board of Directors may authorize any committee or officer, upon whom the power of appointing assistant and subordinate officers may have been conferred, to fix the salaries, compensation, and remuneration of such assistant and subordinate officers.

## ARTICLE V.

### DIVISIONAL TITLES

**SECTION 5.01. *Conferring Divisional Titles.*** The Board of Directors may from time to time confer upon any employee of a division of the Co-op the title of President, Vice-President, Treasurer, or Controller of such division or any other title or titles deemed appropriate, or may authorize the Chairman of the Board or the President to do so. Any such titles so conferred may be discontinued and withdrawn at any time by the Board of Directors, or by the President if so authorized by the Board of Directors. Any employee of a division designated by such a divisional title shall have the powers and duties with respect to such division as shall be prescribed by the Board of Directors or the President.

**SECTION 5.02. *Effect of Divisional Titles.*** The conferring of divisional titles shall not create an office of the Co-op under Article IV unless specifically designated as such by the Board of Directors; but any person who is an officer of the Co-op may also have a divisional title.

## ARTICLE VI.

### MEMBER-OWNERSHIP INTEREST

**SECTION 6.01. *Certificates for Member-Ownership Interest.*** Each member-owner is entitled to certificates which represent and certify the member-ownership interest he or she holds in the Co-op. Each member-ownership interest certificate shall include on its face the name of the Co-op and the name of the member-owner or other person or entity to whom it is issued. It shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each member-ownership interest certificate shall be signed by the President, or a Vice-President, Chief Executive Officer, or Chief Financial Officer, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued

whether or not an officer who signed it is still an officer when it is issued. A certificate may not be issued until the member-ownership interest represented by it is fully paid.

**SECTION 6.02. *Transfers.*** The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates of member-ownership, provided that such rules and regulations shall comply with any and all provisions regarding transfer of member-ownership interest provided in the Charter; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

**SECTION 6.03. *Record Dates.*** The Board of Directors may, and shall have the sole power to, set a record date for the purpose of making any proper determination with respect to member-owners, including which member-owners are entitled to request a special meeting of member-owners, notice of a meeting of member-owners, vote at a meeting of member-owners, receive a dividend, or be allotted other rights. The record date may not be prior to the close of business on the day the record date is fixed nor, subject to Section 1.06, more than 90 days before the date on which the action requiring the determination will be taken; the transfer books may not be closed for a period longer than 20 days; and, in the case of a meeting of member-owners, the record date shall be at least ten days before the date of the meeting. Any member-ownership interest acquired by the Co-op between the record date for determining member-owners entitled to notice of or to vote at a meeting of member-owners and the time of the meeting may be voted at the meeting by the holder of record as of the record date and shall be counted in determining the total number of outstanding member-ownership interests entitled to be voted at the meeting.

**SECTION 6.04. *Member-Owner Ledger.*** The Co-op shall maintain a member-owner ledger which contains the name and address of each member-owner. The member-owner ledger may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the member-owner ledger shall be kept at the principal office in the State of Maryland or the principal executive offices of the Co-op.

**SECTION 6.05. *Certification of Beneficial Owners.*** The Board of Directors may adopt by resolution a procedure by which a member-owner of the Co-op may certify in writing to the Co-op that any member-ownership interest registered in the name of the member-owner are held for the account of a specified person other than the member-owner. The resolution shall set forth the purpose for which the certification may be made; the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Co-op; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt of a certification which complies with the procedure adopted by the Board of Directors in accordance with this Section, the person specified in the certification is, for the purpose set forth in the certification, the holder of record of the specified member-ownership interest in place of the member-owner who makes the certification.

## ARTICLE VII.

### FINANCE

**SECTION 7.01. *Checks, Drafts, etc.*** All checks, drafts and orders for the payment of money, notes, and other evidences of indebtedness, issued in the name of the Co-op, shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President, a Vice-President, or an Assistant Vice-President and countersigned by the Treasurer, an Assistant Treasurer, the Secretary, or an Assistant Secretary. Deposits made to bank accounts held in the name of the Co-op may be signed by any officer of the Co-op.

**SECTION 7.02. *Annual Statement of Affairs.*** An Audit Committee, to be appointed by a vote of the Board of Directors, shall prepare annually a full and correct statement of the affairs of the Co-op, to include a balance sheet and a financial statement of operations for the preceding fiscal year. The statement of affairs shall be submitted at the annual meeting of the member-owners and, within 20 days after the meeting, placed on file at the Co-op's principal office. The Treasurer of the Co-op shall serve as the chairperson of the Audit Committee.

**SECTION 7.03. *Fiscal Year.*** The fiscal year of the Co-op shall be the 12 calendar months period ending June 30th in each year, unless otherwise provided by the Board of Directors.

**SECTION 7.04. *Dividends.*** If declared by the Board of Directors at any meeting thereof, the Co-op may pay dividends on its member-ownership interests in cash or property, unless such dividend is contrary to law or to a restriction contained in the Charter. The Board shall determine when and how such allocations and distributions of dividends will be made. By obtaining or retaining ownership in the Co-op, each member-owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Co-op. Each member-owner also agrees that if her or his patronage dividend is not cashed within ninety (90) days of the date on which it was issued by the Co-op, the Co-op shall have the right to retain such dividend or to make a contribution in the name of that member-owner to support other organizations aligned with the Co-op's purpose in a manner as may be directed by the Board from time to time.

## ARTICLE VIII.

### INDEMNIFICATION

**SECTION 8.01. *General Indemnification.*** The Co-op shall indemnify (i) its present and former directors and officers, whether serving or having served the Co-op or at its request any other entity, to the full extent required or permitted by Maryland law now or hereafter in force, including the advance of expenses under the procedures and to the fullest extent permitted by law, and (ii) other employees and agents to such extent as shall be authorized by the Board of Directors, Charter, or these Bylaws and as permitted by law. The foregoing rights of

indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled. The Board of Directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law. No amendment of these Bylaws or repeal of any of its provisions shall limit or eliminate the right of indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

**SECTION 8.02. Procedure.** Any indemnification, or payment of expenses in advance of the final disposition of any proceeding, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification (the "Indemnified Party"). The right to indemnification and advances hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Co-op denies such request, in whole or in part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses (including attorney's fees) incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be paid or reimbursed by the Co-op. It shall be a defense to any action for advance for expenses that (a) a determination has been made that the facts then known to those making the determination would preclude indemnification or (b) the Co-op has not received both (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met and (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Co-op has been met.

**SECTION 8.03 Exclusivity, Etc.** The indemnification and advance of expenses provided by the Co-op's charter and these Bylaws shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of member-owners or disinterested directors or other provision that is consistent with law, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Co-op, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. The Co-op shall not be liable for any payment under this Bylaw in connection with a claim made by a director or officer to the extent such director or officer has otherwise actually received payment under insurance policy, agreement, vote or otherwise, of the amounts otherwise indemnifiable hereunder. All rights to indemnification and advance of expenses under the Charter of the Co-op and hereunder shall be deemed to be a contract between the Co-op and each director or officer of the Co-op who serves or served in such capacity at any time while this Bylaw is in effect. Nothing herein shall prevent the amendment of this Bylaw, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this Bylaw shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Co-op arising hereunder with respect to events occurring, or claims made, while this Bylaw or any provision hereof is in force.

**SECTION 8.04. Insurance.** The Co-op may purchase and maintain insurance on behalf of any Indemnified Party against any liability asserted against and incurred by any Indemnified Party in any protected capacity or arising out of his or her position. The Co-op may purchase and maintain insurance on its behalf in respect of any liability it may incur to provide indemnification under its charter, these Bylaws, or law.

**SECTION 8.05. Severability; Definitions.** The invalidity or unenforceability of any provision of this Article VIII shall not affect the validity or enforceability of any other provision hereof. The phrase "this Bylaw" in this Article VIII means this Article VIII in its entirety.

## ARTICLE IX.

### SUNDRY PROVISIONS

**SECTION 9.01. Books and Records.** The Co-op shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its member-owners and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of the Co-op may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of these Bylaws shall be kept at the principal office of the Co-op.

**SECTION 9.02. Corporate Seal.** The Board of Directors shall provide a suitable seal, bearing the name of the Co-op, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Co-op is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "(seal)" adjacent to the signature of the person authorized to sign the document on behalf of the Co-op.

**SECTION 9.03. Bonds.** The Board of Directors may require any officer, agent, or employee of the Co-op to give a bond to the Co-op, conditioned upon the faithful discharge of his or her duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

**SECTION 9.04. Voting Stock in Other Corporations.** Stock of other corporations or associations, registered in the name of the Co-op, may be voted by the President, a Vice-President, or a proxy appointed by either of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

**SECTION 9.05. Mail.** Any notice or other document which is required by these Bylaws to be mailed shall be deposited in the United States mail, postage prepaid.

**SECTION 9.06. Execution of Documents.** A person who holds more than one office in the Co-op may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

**SECTION 9.07. Amendments.** In accordance with the Charter, these Bylaws may be repealed, altered, amended, or rescinded and new bylaws may be adopted by the member-owners of the Co-op (considered for this purpose as one class) by the affirmative vote of not less than a majority of all the votes entitled to be cast by the outstanding member-ownership interests of the Co-op generally in the election of directors which are cast on the matter at any meeting of the member-owners called for that purpose (provided that notice of such proposal is included in the notice of such meeting).

## ARTICLE X.

### DISSOLUTION

**SECTION 10.01. Asset Distribution.** The Co-op may be dissolved or liquidated upon a decision of the Board and a two-thirds (2/3) vote of the member-owners who participate in the vote. Upon dissolution of the Co-op, 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 on a pro rata basis; (iii) by donating any remaining assets to organizations having cooperative or not-for-profit purposes, as determined by the Board.

---

President

---

Secretary