

By-laws of
Chester's Community Grocery Cooperative

Article I - Purposes

The guiding principles of Chester's Community Grocery Cooperative are to:

1. Build a strong community through healthy food; by,
2. Offering healthy and fresh foods to the community;
3. Working cooperatively to support each other and the community;
4. Reducing individual costs;
5. Promoting common values;
6. Supporting sustainable farming practices;
7. Developing more environmentally sound business practices; and,
8. Providing sustainable livable wages and progressive employment policies.

Article II - Offices

The principal office of Chester's Community Grocery Cooperative (hereinafter referred to as "The Co-op") shall be XXX. The Co-op may also have offices at such other places as the Board of Directors, from time to time, may determine.

Article III - Membership

1. Classes of Membership

a. Regular Membership – A household may apply for a single, regular membership to be held in the names of all persons in the household who are at least eighteen (18) years old. As used in these By-laws, regular membership shall mean a household unit of one or more persons eighteen (18) years or older. Household shall mean a group of persons residing at the same address who live together as a unit. One or more members of the household must live, work, worship, study, or volunteer in Chester at the time of membership application to qualify for regular membership. As used in these By-laws, "Members" shall refer to households who are regular members of the Co-op.

b. Associate Membership - A household may apply for an associate membership to be held in the names of all persons of the household who are at least eighteen (18) years of age. Associate members need not live, work, worship, or volunteer in Chester. They shall be entitled to all benefits of a Regular Membership except that they may not receive

patronage rebates; shall not be entitled to hold office in the Co-op or vote in the Co-op; and need not perform a work obligation.

2. Membership Requirements - The members of the Co-op shall consist of those households which have met the following requirements:

- a. Payment in full of the minimum regular membership capital;
- b. Completion of, or being in the process of completing, the work obligation established by the Co-op; and
- c. Satisfaction of any other requirements established by the Co-op.

3. Orientation - Applicant members shall be required to attend orientation programs under such rules, procedures and policies as the Board of Directors may, from time to time, determine.

4. Records - Records shall be kept showing the names, addresses, phone numbers and date of membership for each member and associate member, including all persons in a household.

5. Work Requirement - The Co-op, by vote of the members present and voting at a regular or special meeting of members will impose an annual work requirement.

6. Voluntary Termination of Membership - A member may, at any time, terminate membership in the Co-op by submitting to a person designated by the Board of Directors a written statement stating that the member wishes to terminate membership. Such statement shall be signed by the member or where applicable, all persons in a household. Voluntary termination shall not affect the terminating member's existing liabilities to the Co-op. The member's regular capital shall, upon written request, be returned in cash subject to deductions for debts owed to the Co-op.

7. Leaves of Absence - Leaves of absence may be granted for periods not to exceed one year. During the leave of absence the member shall be relieved from any annual work requirement, but shall not be relieved of any requirements related to payment of capital. The member shall retain his/her right to vote during the leave, but shall not have the right to receive patronage from the Co-op, see Article IX.

8. Transfer of Membership - Membership shall be nontransferable.

9. Death of a Member - Upon the death of the last or only person included in a membership, the membership shall immediately terminate. Upon written request, the Co-op shall return the member's regular capital to the person designated as "beneficiary" on the Co-op's records. If no such request is made within two years after the member's death, all of the member's capital shall be forfeited and transferred to the reserve capital account.

10. Suspension or Expulsion - The Board of Directors may suspend or expel any member for cause. A member proposed for suspension or expulsion shall be given reasonable notice of the pending action. The Board shall be authorized to prescribe procedures under which the proposed suspension or expulsion shall be considered. The member shall have the right to appeal to the membership at the next regularly scheduled membership meeting. Suspension or expulsion of a member shall not affect that member's existing liabilities to the Co-op. If a member is expelled, the member's regular capital shall be returned, subject to deductions for debts owed to the Co-op.

11. Limits on Members - The Board of Directors may, from time to time, decide to limit the number of members of the Co-op, and may decide to limit new applications for membership.

Article IV - Meetings of Members

1. Semi-annual Meetings - Regular meetings of the members shall be held semi-annually, one in the Fall and one in the Spring at a date, time and place to be determined by the Board of Directors.

2. Special Meetings - Special meetings of the members may be called by a resolution of the Board of Directors, or by a petition signed by at least one-tenth of the members entitled to vote stating the purpose of the requested meeting and delivered to the Secretary. Upon receipt of such a request, the Secretary shall call a special meeting which shall take place within thirty days. If the Secretary fails to call the meeting and issue notice of it within seven days after receipt of the petition, the petitioning members may issue the notice, and the Co-op shall pay the reasonable costs of such notice.

3. Notice of Meetings - The Secretary shall mail a written notice of each meeting of the members, setting forth the date, time, place and nature of the business of the meeting, to each member at the member's last known address, not less than twenty days before the date of the meeting. Such notice shall be deemed delivered if deposited in the United States mail with at least third-class postage affixed and addressed to the latest address provided by the member. The notice shall also be conspicuously posted at the Co-op.

4. Agenda - The agenda for the meeting shall be set forth in the notice of meeting, and no business other than that generally set forth in the notice shall be transacted at the meeting or any adjournment of it. The agenda of regular membership meetings shall be developed by the Board. Any member may request that an item be placed on the agenda of a membership meeting by submitting to the Board a petition of ten (10) voting members, which shall be delivered to the Board within sufficient time for the issue to be publicized in the notice of the membership meeting sent to members.

5. Quorum - A number of household members equivalent to either thirty percent (30%) of the members or fifty (50) members, whichever is less, shall constitute a quorum at any meeting of members. The members present at a properly organized meeting may continue

to do business, despite the withdrawal from the meeting of enough members to leave less than a quorum so long as adjournment has not been declared. If a meeting of members cannot be organized because a quorum has not attended, those present may adjourn the meeting to such date, time and place as they may determine, and notice of such adjourned meeting shall be posted in a conspicuous place at the principal place of business of the Co-op for a period of not less than seven days prior to the date of the adjourned meeting. Those who attend such adjourned meeting, although less than a quorum, shall be deemed to constitute a quorum at that meeting only for the transaction of business from the meeting that was adjourned.

6. Voting -

a. **Eligibility.** The President of the Board of Directors, or his or her designee, shall review or cause to have reviewed the membership records prior to each meeting of the members and shall determine that they contain the names of members in good standing and entitled to vote. A list of such members or other similar records shall be produced and kept open at the time and place of such meeting. Listing in the membership records shall be *prima facie* evidence of a member's eligibility to vote.

b. Each member household shall have one and only one vote upon any single matter. Voting must be in person, except as specifically authorized in these By-laws. Proxies shall not be permitted. Membership may be required as a condition of attendance at the meeting.

c. All questions brought before the meeting shall be determined by the votes of a majority of the members present in person and entitled to vote, except as otherwise provided by statute or these By-laws.

7. Conduct of Meetings - Meetings of members shall be governed by *Robert's Rules of Order* or *The Modern Rules of Order*, as determined by the presiding officer prior to commencement of the meeting. The presiding officer at such meeting shall appoint a parliamentarian to advise the presiding officer with regard to procedural matters. The regular meetings of members shall include the following matters:

- a. Recording the names of members present;
- b. Reading and action on minutes of previous meeting of members;
- c. Elections;
- d. Reports of Officers, Board of Directors, committees, and manager;
- e. Report of financial condition;
- f. Other business.

8. Notice of Nomination and Election of Directors and of Committee Chairpersons - No later than sixty (60) days prior to the Spring membership meeting the Chairperson of the Leadership Committee shall post a notice of elections in a conspicuous place at the principal place of business of the Co-op, which notice shall state the date of the elections, the positions for which elections are to be held and the procedure for nomination of candidates for the positions. The notice shall also be published in a publication generally distributed to all members. Nominations of candidates for positions on the Board of Directors and for Committee Chairpersons may be made by any person in a member household by submitting the name of the nominee(s) to the Chairperson of the Leadership Committee of the Co-op within sufficient time to permit the nomination to be disseminated to the membership by mail in accordance with these by-laws. Representatives of the Leadership Committee shall contact each nominee and determine the nominee's willingness to serve.

9. Referendum on Acts of Directors - Any action taken by the Board of Directors shall be referred to the members for approval or disapproval if demanded by petition of at least ten percent (10%) of the members delivered to the Secretary within sixty (60) days after the date that the action is authorized by the Board of Directors. Such matters shall be approved or disapproved by the members at the next regular meeting. Upon receipt of a petition demanding a referendum, the Secretary shall place the item on the agenda for the next membership meeting and shall stay execution of the action until the referendum has been held. Rights of third parties which vest between the time that the action is authorized by the Board of Directors and the time that the petition is received or the referendum is held shall not be impaired by a vote of the members.

Article V - Directors and Officers

1. Election of Directors - The election of Directors shall take place at the Spring meeting. Voting must be done in person. No absentee or proxy ballots will be accepted.

2. Number of Directors – Effective with the first regularly scheduled meeting of the Members, the administration of the Co-op shall be vested in a Board of Directors comprised of a minimum of five (5) and a maximum of seven (7) persons who shall act for the Co-op in all matters, except those required by statute, the Articles of Incorporation, or reserved by these By-laws for the members.

3. Board Positions - The Board of Directors shall consist of the following persons, all of whom shall be members of the Co-op: the President, the Vice-President, the Secretary, the Treasurer, and a minimum of one (1) and a maximum of three (3) other Directors from the membership at-large.

4. Officers - The officers of the Co-op shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected to their offices by the Board at the first Board meeting following the election of Directors. The officers shall be elected by a majority vote of those present and voting. Officers shall be elected for a term of two (2) years and

shall serve until that officer's successor is elected and assumes office. In order to ensure staggered terms of service, at the first regularly scheduled Board meeting in which officers are initially elected, the four candidates who receive the highest number of votes will be elected to two (2) year terms. The remaining three candidates will be elected to one (1) year terms.

5. Terms of Office

a. Terms of Office of Directors - Each Director shall be elected for a term of two (2) years and shall serve until that Director's successor is elected and assumes office. As noted above, three of the initial Board Members will be elected to one (1) year terms in order to provide for staggered terms.

b. Term Limits - Membership on the Board shall be limited to three (3) consecutive terms. After being elected and serving a third consecutive term on the Board, a member shall retire from the Board for one year, before regaining his or her eligibility for election.

c. Staggered Terms of Office - The election of Directors will be such that terms are staggered so that under normal circumstances approximately half the Directors are elected in even-numbered years and half in odd-numbered years.

6. Vacancies - Vacancies on the Board of Directors occurring between elections shall be filled by a majority vote of the remaining Directors, and each person so elected shall be a Director until his or her successor is elected by the members at the next membership meeting. If the size of the Board falls below the five-member minimum, the Board may continue to function, but must make a good faith effort to bring the size back to the minimum as soon as possible.

7. Removal of Directors -

a. A Director may be removed with or without cause, by a vote of at least two-thirds of the members present and entitled to vote at a regular or special membership meeting. Any member or members may request removal by bringing formal charges against a Director by following the procedures which are set forth in the By-laws for the calling of a special membership meeting. The Director whose removal is proposed shall be given the opportunity to be heard at the membership meeting. A vacancy caused by removal shall be filled at the same meeting by the vote of the members present at the meeting.

b. Directors who incur three (3) consecutive unexcused absences from Board meetings shall be automatically removed. An unexcused absence shall be determined by the President.

8. Compensation of Directors - Directors shall receive no monetary compensation from the Co-op for their services as Directors.

9. Meetings - The Board of Directors may hold meetings, both regular and special, at such time and place as they may, from time to time, determine, but in any event, no less than every three months. The date, time and place of each meeting of the Board of Directors shall be posted by the Secretary in a conspicuous place at the principal place of business of the Co-op for at least three (3) days prior to a special meeting, and two (2) weeks prior to a regular meeting. All meetings for the transaction of business of the Board of Directors shall be open to the membership of the Co-op.

10. Special Meetings - Special meetings of the Board of Directors may be called by the President or by any three (3) Directors. Notice of a special meeting shall be given to each Director at last three (3) days prior to the meeting.

11. Quorum - At all meetings of the Board of Directors, a majority of those who are presently serving on the Board shall be necessary to constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of Directors, the Directors present will adjourn the meeting and determine a time and place for an adjourned meeting. Notice of the adjourned meeting shall be given to each Director, and shall be posted at least three (3) days prior to the adjourned meeting.

Article VI - Officers

1. President - The President shall preside at all meetings of the Board of Directors. The President shall oversee all operations of the Co-op and shall see that all orders and resolutions of the Board of Directors and of the members are carried into effect. The President shall be a member ex-officio of all committees of the Co-op. The President shall deliver the report of the Board of Directors at the membership meetings.

2. Vice-President - The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the power of the President. In the event of the death, resignation or mid-term withdrawal from office by the President, the Vice-President shall complete the unexpired term of the President. The Vice-President shall preside at membership meetings, shall rule on points of order and procedure at such meetings, shall appoint a parliamentarian at such meetings to advise on points of order and procedure and shall not vote unless a tie occurs. The Vice-President shall be a liaison between the committee chairpersons and the board. The Vice-President shall perform such other duties and have such other powers as the Board of Directors may, from time to time, prescribe.

3. Secretary - The Secretary shall attend all meetings of the membership and Board of Directors and shall record or cause to be recorded the minutes of the meeting. The Secretary shall post a copy of the minutes of the meetings of the Board of Directors and general membership meetings in a conspicuous place at the principal place of business of the Co-op. Minutes of the Board of Directors meetings shall be posted within seven (7) days after approval by the Board. Draft minutes of the general membership meetings shall be posted no later than twenty (20) days prior to the general membership meeting at

which they are scheduled to be approved. The Secretary shall give all notice of meetings required by these By-laws. The Secretary shall keep custody of the official documents of the Co-op. The Secretary shall keep custody of the seal of the Co-op, and, when authorized by the Board of Directors, affix it to any instrument and attest to its authenticity by signature.

4. Treasurer - The Treasurer shall monitor the operations accounts and report to the Board on a monthly basis. Treasurer shall chair the Finance Committee (if any), assist in the preparation of the budget, and advise and assist on making financial information available to both co-op members and the Board. In addition, the Treasurer shall serve as the liaison between the Board and its auditor.

Article VII – Committees

1. The Board of Directors may, at its discretion, appoint such committees, as it deems appropriate. Committee membership is limited to regular members of the Co-op in good standing.
2. Committee Chairpersons shall be elected by the committee members at the first meeting following the Spring Membership Meeting and shall serve for 1 year or until a successor has been elected and assumes office.
3. Vacancies caused by the resignation of a Committee Chairperson between elections shall be filled by a majority vote of the members of that committee, and each person so elected shall be the Chairperson until his or her successor is chosen at the next regularly scheduled Membership meeting.
4. Removal of Committee Chairpersons – Provisions of Article V, Section 7, Removal of Directors, apply.

Article VIII - Miscellaneous

1. Management - The Board of Directors of the Co-op shall hire a general manager who shall be subject to the direction, management, and control of the Board of Directors. The general manager shall perform such duties and shall have such responsibilities as the Board of Directors shall determine. The general manager shall be responsible for the day-to-day operations of the co-op.

2. Bonding - All persons authorized to sign checks or withdraw funds of the Co-op, bookkeepers performing services for the Co-op and any other persons handling funds of the Co-op amounting to \$1,000 or more in any one year shall be covered by an adequate bond in an amount to be determined by the Board of Directors. This bonding coverage shall be maintained at the Co-op's expense.

3. Auditing - The Books of the Co-op shall be audited at least once every three (3) years with no less than a Review in the intervening years by a certified public accountant who shall be independent of the Co-op. Additionally, the Board will ensure that an annual review of the financial controls of the Co-op is conducted.

4. Checks - All checks of the Co-op shall be signed by such persons as the Board of Directors shall designate.

5. Fiscal Year – The fiscal year of the Co-op shall begin within 10 days of July 1 of each year and shall end within 10 days of July 1 of the following year. The actual dates that begin and end the fiscal year shall be announced by the General Manager on or before the Spring annual membership meeting.

6. Seal - The Board may authorize the purchase of a corporate seal. The seal of the Co-op shall have inscribed upon it the name of the Co-op, the year of its incorporation, and the Commonwealth of Pennsylvania.

7. Amendment of By-laws - These By-laws may be altered, amended or repealed by a majority of the members present and entitled to vote at any regular or special membership meeting duly convened after notice to the members of this purpose, which notice shall contain the text of the proposed amendments. Any proposed amendments to these By-laws must be posted in a conspicuous place at the principal place of business of the Co-op for at least fourteen (14) days prior to the meeting at which they will be acted upon.

8. Fiduciary Duty -

a. Any Director of the Co-op shall stand in a fiduciary relation to the Co-op and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a matter he or she reasonably believes to be in the best interest of the Co-op, and with such care, including reasonable inquiry, zeal and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following: (1) one or more officers or employees of the Co-op whom the Director reasonably believes to be reliable and competent in the matters presented; (2) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person; (3) a committee of the Co-op as to matters within its designated authority, which the Director reasonably believes to merit confidence.

b. In discharging the duties of their respective positions, the Board of Directors may, in considering the best interests of the Co-op, consider the effects of any action upon employees, suppliers, members of the Co-op and the community in which the Co-op is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section. Absent breach of fiduciary duty, lack of good faith

or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interest of the Co-op.

c. Any Director of the Co-op shall not be personally liable for monetary damages for any action taken or for any failure to take any action, unless: (1) the Director has breached or failed to perform the duties of his or her office under this section; (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this section shall not apply to: (1) the responsibility or liability of the Director pursuant to any criminal statute; or (2) the liability of a Director for the payment of taxes pursuant to local, state or federal law.

The Co-op shall indemnify each of its Directors, officers, committee chairs and employees who was or is an authorized representative of the Co-op and who was or is “party” (which shall include for purposes of this provision the giving of testimony or similar involvement) or is threatened to be made a party to any “proceeding” (which shall mean for purposes of this provision any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil administrative or investigative, whether formal or informal, and whether brought by or in the right of the Co-op or otherwise) by reason of fact that such person was or is an authorized representative of the Co-op, to the fullest extent permitted by law, including without limitation, indemnification against expenses (which shall include for purposes of this provision attorney’s fees and disbursements), damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding, unless the act or failure to act giving rise to the claim is finally determined by a court to have constituted willful misconduct or recklessness. If an authorized representative is not entitled to indemnification in respect of a portion of any liabilities to which such person may be subject, the Co-op shall nonetheless indemnify such person to the maximum extent for the remaining portion of the liabilities.

d. The Co-op shall pay the expenses (including attorney’s fees and disbursements) actually and reasonably incurred in defending a proceeding on behalf of any person entitled to indemnification under Section C of this provision in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Co-op and may pay such expenses in advance on behalf of any employee or agent on receipt of a similar undertaking. The financial ability of such authorized representative to make such repayment shall not be a prerequisite to the making of an advance.

e. Each person who shall act as an authorized representative of the Co-op shall be deemed to be doing so in reliance upon the rights of indemnification provided by this provision.

f. All rights of indemnification under this provision shall be deemed a contract between the Co-op and the person entitled to indemnification pursuant to which the Co-op and each person intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not limit, but may expand any rights or obligations in

respect of any proceeding, whether commenced prior or after such change, to the extent such proceeding pertains to actions or failures to act, prior to such change.

g. The indemnification, as authorized by this section, shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of disinterested Directors or otherwise. The indemnification and advancement of expense provided by, or granted pursuant to, this action shall continue as to a person who has ceased to be an officer or Director in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors and administrators of such person.

9. Conflicts of Interest - Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board, and such interest shall be made a matter of record in the minutes of the meeting. Directors having such an interest may not participate in the decision of the matter.

Article IX - Disposition of Net Profits

1. Net Profits - Net Profits is the total income of the Co-op minus its costs of operation for the fiscal year.

2. Patronage - A member's patronage is the total amount spent by the member for purchases of goods from the Co-op. The total patronage is the total of all the members' patronage.

3. Patronage Rebate of Net Profits – The net profits of the Co-op attributable to the patronage of its members for each fiscal year shall be allocated and distributed among members in proportion to their patronage and in such a manner as to constitute patronage rebates within the meaning of federal income tax law. Such net profits may be reduced by such reasonable reserves for necessary business purposes as may be determined by the Board of Directors. If the cash payment portion of a member's patronage rebate would equal less than one (1) dollar, such cash payment shall be allocated to the member's regular capital account.

4. Written Notice to Members – An allocation of patronage rebates shall be evidenced by a written notice within eight months and fifteen days after the end of the fiscal year stating:

a. The amount of net savings assigned to that member's reserve capital account as part of the patronage rebate;

b. The amount of net savings assigned to that member's regular capital account as part of the patronage rebate;

- c. The amount of net savings being paid to the member in cash as part of the patronage rebate;
- d. The total of a, b, and c designated “total patronage rebate”;
- e. The member’s total reserve capital account;
- f. The member’s total regular capital account;

5. Consent of members - By obtaining or retaining membership in the Co-op, each member shall thereby consent to take into account, in the manner and to the extent required by Section 1385 of the Internal Revenue Code, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received.

Article X - Membership Capital

1. The Co-op’s reserve capital shall consist of the total of all of the members’ reserve capital accounts, and the Co-op’s regular capital shall consist of the total of all of the members’ regular capital accounts.
2. Reserve capital accounts shall consist of amounts assigned to the members and specifically designated as reserve capital at the time they are assigned. Reserve capital shall not be returned to members until such time as the Co-op is dissolved. Reserve capital may be used in the general conduct of the Co-op’s business.
3. Regular capital accounts shall consist of all payments to and investments in membership capital, including patronage rebates assigned to a member’s capital, that are not reserve capital. Regular capital shall be returned to the member as provided in these By-laws. See Article IX and Article X(8). Regular capital may be used in the general conduct of the Co-op’s business.
4. The minimum amount of membership capital that must be paid to qualify for continuing membership shall be determined by vote of the membership, which amount shall be assigned to the member’s regular capital account.
5. The Co-op, by vote of the members present and voting at a regular or special meeting of the members, may require additional investments of capital for the continued privilege of using the facilities of the Co-op. No member shall be requested to make additional capital investments after the member’s regular capital account matches a limit which shall be determined by vote of the membership; except that assignments of patronage rebates to regular capital accounts shall continue after the limit has been reached.
6. Members may invest additional amounts in their regular capital account at any time. However, no member shall own or control more than one percent (1%) of the Co-op’s total membership capital.

7. The Co-op may, by vote of the members, reduce any member's regular capital in excess of the maximum capital contribution as determined by the membership from time to time by repaying the member a part of that capital.

8. A Regular or Associate Member may receive his or her invested capital returned if the Co-op dissolves or if the Regular or Associate Member resigns from the Co-op and demands, in writing, the return of his or her capital. Whenever the Co-op is required to return a Regular or Associate Member's regular capital under these By-laws, the Co-op may repay the capital in a lump sum or in such installments as the Board of Directors in its discretion sees fit.

9. The Co-op shall have a first lien on a member's capital accounts for unpaid debts owed by the member to the Co-op. Whenever the Co-op is required to return the member's regular capital, it may deduct the debts owed by that member to the Co-op from the capital to be returned to the member.

10. Whenever the Co-op is required to repay any of the member's regular capital account to the member, and no persons included in that membership can be found for a period of two (2) years after the payment first becomes due, the member's regular and reserve capital shall be forfeited and transferred to the Co-op's reserves.

I hereby certify this ____ day of _____, 2006, that the foregoing constitutes the complete By-laws adopted by Chester's Community Grocery Co-op as of this date.

_____, Secretary