



BYLAWS OF THE LEXINGTON COOPERATIVE MARKET APPROVED BY THE MEMBERSHIP OCTOBER 22, 2020

Article 1: MEMBER-OWNERSHIP

1.1 Eligibility. Member-Ownership in the Cooperative shall be open to any natural person who is in accord with its purposes and is willing to accept the responsibilities of Member-Ownership. Any Person may become a Member-Owner of the Cooperative by:

- submitting a completed application for Member-Ownership
- making full payment of one share of common stock at a price that is in accordance with the current level of investment as determined by the Board of Directors
- providing for consent to take patronage distributions received from the Cooperative into income in the manner provided in the Internal Revenue Code, 26 U.S.C. §1385(a);
- being 18 years of age at the time of application
- meeting such other Member-Ownership criteria or requirements as established from time to time by the Cooperative's Board of Directors;

1.2 Nondiscrimination. Member-Ownership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

1.3 Rights. Member-Owners shall be entitled to make purchases from the Cooperative on terms generally available to Member-Owners and to receive benefits and entitlements on an equal or ratable basis with other Member-Owners. Member-Owners shall have the right to elect the Cooperative's Board of Directors, to attend meetings of the Board, to receive notice of and attend Member-Ownership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws and to the Articles of Incorporation. Each Member-Owner shall have one vote and no more on all matters submitted to Member-Owners. The rights of Member-Owners shall apply only to Member-Owners in good standing. All rights and responsibilities of Member-Owners are subject to the bylaws as they may be amended from time to time.

1.4 Access to Information. Member-Owners shall be provided annual financial statements of the Cooperative and, upon written request, access to the Member-Ownership list, minutes of meetings of Member-Owners, adopted Board minutes, written Board policies and any other information as provided for under section 624 of New York's Business Corporation Law or as determined by the Board of Directors. Such access shall be at a reasonable time and for a proper purpose as determined by the Board of Directors in its sole discretion.

1.5 Responsibilities. Each Member-Owner shall keep current in capital stock investments due to the Cooperative, and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. A Member-Owner who upholds these responsibilities is considered a Member-Owner in good standing. Each Member-Owner shall keep the cooperative informed of changes in name and address.

1.6 Termination of Member-Ownership. A Member-Owner may terminate his or her Member-Ownership voluntarily at any time by written notice to the Cooperative. Member-Ownership 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 to the Board in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative's bylaws or policies or the policies and decisions of the Board of Directors; actions that will impede the Cooperative from accomplishing its purposes; actions or threats that adversely affect the interests of the Cooperative or its Member-Owners; willful obstruction of any lawful purpose or activity of the Cooperative or breach of any contract with the Cooperative.

1.7 Non transferability: Member-Ownership rights and Member-Owner equity may not be transferred in any manner.

Article 2: MEMBER-OWNER MEETINGS

2.1 Annual Meeting. A meeting of the Member-Owners shall be held each year at a time and place determined by the Board. The purpose of the meeting shall be to hear reports on operations and finances, to review issues that vitally affect the Cooperative, and to transact such other business as may properly come before the meeting.

2.2 Special Meetings. A Special Meeting of the Member-Owners of the Cooperative may be called by the Board at any time. The Board must call a Special Meeting of the Member-Owners in response to a written petition of five-hundred (500) or ten percent (10%) of Member-Owners, whichever is fewer. 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 sixty (60) days after presentation of the petition to the Board. The petition must include the anticipated cost to the organization of holding the meeting which will be based on the total expenses incurred by comparative meetings held within the recent past. If the matter requires a vote of the Member-Owners the petition must include the wording of the motion so that all Member-Owners have the opportunity to vote on the matter as provided for in 2.4 below. No business shall be conducted at any Special Meeting except that business which has been set forth in the notice of such meeting. Quorum requirements apply as in 2.6 below.

2.3 Notice. Written notice of every matter to be voted on by the Member-Owners, and of every Annual and Special Meeting, shall be sent to each Member-Owner. If by first class mail such notice shall be sent not fewer than seventeen (17) days nor more than sixty (60) days before such meeting or the end of the voting period, whichever is sooner. If by third class mail notice shall be sent not fewer than twenty-four (24) days nor more than sixty (60) days before such meeting or the end of the voting period, whichever is sooner. Notice will be

mailed to the last known post office address of the Member-Owner except as provided for in Bylaw 2.5. Notice shall also be posted in a conspicuous place at the Cooperative. Such notice shall contain the date, time, place and the business expected to be conducted at the meeting.

2.4 Voting. Voting shall be accomplished through methods and means established by the Board. The voting period shall be set by the Board of Directors. Each Member-Owner shall receive due notice and have opportunity to cast one vote on any matter submitted to a vote of the Member-Owners. Written ballots must be sent to all Member-Owners using the Notice requirements in Bylaw 2.3, except as provided for in Bylaw 2.5. Because all voting must be by written or electronic ballot and every vote requires due notice to all Member-Owners, votes resulting from motions from the floor at meetings shall be considered advisory to the Board. Unless otherwise stated in the Certificate of Incorporation or these bylaws, or required by applicable law, all questions shall be decided by a vote of a majority of the Member-Owners voting thereon. In the event of a tie, the deciding vote will be cast by the Board of Directors. There shall be no proxy voting.

2.41 Record Dates. Only persons who are fully paid Member-Owners shall be eligible to vote. Unless otherwise fixed by the Board, the record date for the determination of eligibility to vote shall be the close of business on the date preceding the date notice of the Member-Owner meeting is mailed.

2.5 Electronic Voting and Notice. If authorized by the Board, Member-Owners may choose to electronically receive notice from and communicate with the Cooperative, or cast their vote electronically on any matter submitted to a vote of the Member-Owners. It is the Member-Owner's responsibility to provide the Cooperative with a current electronic address.

2.6 Quorum. At any meeting of the Member-Owners, or for any vote of the Member-Owners, the presence in person or by written ballot at the opening of a meeting of ten percent (10%) or three

hundred fifty (350) Member-Owners, whichever is fewer, shall constitute a quorum.

Article 3: BOARD OF DIRECTORS

3.1 Powers and Duties. The Board shall have full power to govern the Cooperative, including, but not limited to, hiring management and evaluating its performance, and assuring that the mission of the Cooperative is carried out. The Board of Directors shall make all necessary rules and regulations not inconsistent with law or with these bylaws. Directors shall be responsible at all times for discharging their duties in good faith and with the degree of care which an ordinarily prudent person in a like position would exercise under similar circumstances.

3.2 Number and Composition. The Board of Directors ("the Board") shall be composed of eleven Directors, elected from among Member-Owners of the Cooperative, who shall be divided, as nearly equally as practicable, into three classes. A Director must meet the requirements necessary to obtain and maintain all licenses and permits for providing the services of the Cooperative, and cooperate fully in any application process for obtaining and maintaining such licenses and permits. Paid employees and spouses or partners of paid employees may not serve as Directors. A person with an overriding conflict of interest with the Cooperative shall not be qualified to serve as a Director.

3.3 Terms and Elections. Elections shall occur annually. There shall be an Elections Committee of the Board to ensure an election process that is open, inclusive, transparent and confidential, with one class of Directors being elected each year. The Elections Committee shall initiate and oversee the nominations process and elections timeline as prescribed by the Board. The procedures shall include: an open and inclusive means of nominating persons for election as Directors, balanced opportunities for nominees to communicate their qualifications and reasonable opportunity for all Member-Owners to choose among the nominees in a confidential manner. Directors shall serve a term of three (3) years beginning at the end of the first meeting after the

Annual Meeting. Vacant Board seats will be awarded to the candidate(s) with the greatest number of votes, and so on until all seats are filled. Board Members shall serve no more than three (3) consecutive three-year terms, but there may be situations (rarely) where a person is appointed/elected to serve the remainder of a three-year term and then could serve three more terms. Any Board Member who is prohibited from running for a Director position because of this restriction, may, after a one-year period, run again for a Director position.

3.4 Vacancies. Any vacancy among Directors elected by the Member-Owners may be filled by appointment by the Board of Directors. The appointee shall serve until the next Annual Meeting, at which time the Member-Owners shall elect a Director to complete the pertinent term.

3.5 Compensation. Compensation of Directors shall be determined by resolution of the Board of Directors. All decisions regarding Directors' compensation shall be announced to the Member-Ownership of the Cooperative at the next regular or Special Meeting of the Member-Owners. Officers and Directors shall also be entitled to reimbursement for actual expenses incurred in attending Board of Directors meetings or other business of the Cooperative. Such expense claims shall be approved by a decision of the Board of Directors.

3.6 Contracts for Profit. During her or his term of office, a Director shall not be a party to a contract for profit with the Co-op which in substance shall differ in any way from similar contracts with Member-Owners or which shall vary from terms generally current among Member-Owners.

3.7 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. Directors having such an interest may not participate in the discussion or decision of the matter. A transaction in which a Director has an interest shall be prohibited unless the transaction is fair to the Cooperative and is approved by no less than a two-thirds majority of all disinterested Directors.

3.8 Removal. The term of office of a Director may be terminated prior to its expiration in any of the following ways (i) voluntarily by a Director upon notice to the Cooperative; (ii) automatically upon termination of member-ownership in the Cooperative; (iii) by action at a meeting of the Member-Owners whenever the best interests of the Cooperative would thereby be served; and (iv) for cause by the member-owners or the Board. The Cooperative will follow the process for removing a Director in accordance with Section 63 of New York's Cooperative Corporations Law regarding filing charges against a Director. A Director who is absent from three (3) consecutive Board meetings, unless excused by the chair, shall be presumed to have resigned.

3.9 Meetings of the Board. The Board shall hold regular meetings at such time and place as it shall determine, and all Directors shall be notified in writing and/or electronically of said meeting at least seven (7) days in advance. The time and place of all meetings shall be posted in a conspicuous place at the principal offices of the Cooperative not more than one day after calling of the meeting. Meetings shall be open to all Member-Owners unless the Board decides to go into executive session regarding confidential matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law, be considered confidential. A portion of the meeting may be devoted to hearing Member-Owner concerns. Additional Member-Owner participation during Board meetings is at the discretion of the chair.

3.10 Special Meetings of the Board. The Board shall determine the process for calling a special meeting of the Board.

3.11 Action without a Meeting. Any action permitted to be taken at a meeting of the Board of Directors may be made without a meeting if consent in writing is given by all of the Directors of the Cooperative who would be eligible to attend and vote at a regular meeting of the Board of Directors. Any such written consent and resulting

action shall be filed and retained with minutes of said meeting.

3.12 Quorum. A majority of the current Directors shall constitute a quorum and no decisions will be made without a quorum.

3.13 Official Acts of the Board. The Board of Directors shall take action by an affirmative vote of a majority of the Directors present at a duly noticed and held meeting.

3.14 Electronic Communication. Any Director may take part in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Any Director participating by such means shall be considered present and shall be included in quorum.

3.15 Designation of Officers. At the first meeting following the Annual Meeting of Member-Owners, the Board of Directors shall elect a President and Vice President, Secretary and Treasurer from among the Directors, and may, at their discretion, combine the offices of Secretary and Treasurer. All such Officers shall hold office for a term of one (1) year, or until their successors have been elected and qualified. No Person shall hold more than one office, except in the case of a combined Secretary/Treasurer office. Such Officers shall serve at the will of the Board of Directors and may be removed by the Board of Directors and successors elected at any Board of Directors meeting.

3.16 Duties of Officers. In addition to signing or attesting to formal documents on behalf of the Cooperative as authorized by the Board, officers shall have the following duties and such additional duties as are determined by the Board:

1. The President shall ensure the orderly conduct of all meetings, coordinate the activities of the Board, and maintain effective communication with the General Manager, and shall present a report of operations at the Annual Meeting of Member-Owners.
2. The Vice President shall perform the duties of the President in his or her absence or disability and assist the

President in the performance of his or her duties.

3. The Secretary shall ensure the recording and keeping of adequate minutes of all meetings of the Board and of Member-Owners, oversee the issuance of notices required under these bylaws, and authenticate records of the Cooperative.

4. The Treasurer shall ensure the maintenance of financial records, issuance of financial reports and the filing of all required reports and returns, and shall present a financial report at the Annual Meeting of Member-Owners.

3.17 Termination of Officers. The term of office of a Board Officer will be terminated prior to its expiration automatically upon removal from the Board or termination of Member-Ownership in the Cooperative.

3.18 Indemnification. This Cooperative shall indemnify each Director, Officer, or Manager of this Cooperative, and any person serving at the request of this Cooperative as a Director, Officer or Manager of another corporation, partnership, joint venture, trust, or other enterprise; against expenses including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred to the greatest extent to which such Officers, Directors or Manager of the Cooperative may be indemnified under the New York's Business Corporation Law, as amended, or any successor statute.

3.19 Limitation on Director Liability. No Director of the Cooperative shall be liable personally to the Cooperative or to any of the Cooperative's Member-Owners for damages for any breach of duty in his or her capacity as a Director, provided that this provision shall not eliminate or limit the liability of any Director if a judgment or other final adjudication adverse to the Director established that his or her actions or omissions: (i) were in bad faith; (ii) involved intentional misconduct or a knowing violation of law; (iii) resulted in the Director personally gaining in fact a financial profit or other advantage to which the Director was not legally entitled; or (iv) violated Section 719 of New York's Business Corporation Law, as amended, or any successor statute.

3.20 Insurance Regarding Directors.

This Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Manager, Employee, or Agent of this Cooperative, or is or was serving at the request of this Cooperative as a Director, Officer, Manager, Employee, or Agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted and incurred in any capacity to the greatest extent allowed by New York's Cooperative Corporations Law.

3.21 Committees. By resolution, the Board of Directors may establish and dissolve standing and ad hoc committees, subject at all times to the direction and control of the Board of Directors.

Article 4: CAPITAL STOCK

4.1 Common Stock. Only Member-Owners of this Cooperative may be holders of Common Shares. Only one share of common stock shall be issued to each Member-Owner of the Cooperative upon full payment of their purchase or subscription price.

4.2 Preferred Stock. Only Member-Owners of this Cooperative may be holders of Preferred Shares. No voting rights shall be attached to the ownership of preferred stock.

4.3 Certificates. Owners of fully-paid shares of capital stock shall receive one or more certificates evidencing such holdings. All certificates shall be signed by the President and Secretary and shall be numbered and registered by the Cooperative. Certificates shall be issued only upon full payment of their purchase or subscription price or any membership fee associated therewith.

4.4 Redemption. Upon request following termination of Member-Ownership, Common Shares shall be redeemed under terms established by the Board, providing that the Board has determined that the Common Share is no longer necessary for the reasonable or prospective capital needs of the Cooperative. Shares shall also be redeemed upon involuntary termination of Member-Ownership, upon

death of a Member-Owner, and other compelling circumstances as determined by the Board. Reasonable processing fees may be imposed as determined by the Board. Any outstanding debt to the Cooperative shall be subtracted from the amount returned to the Member-Owner.

Article 5: PATRONAGE DIVIDENDS

5.1 Allocations to Member-Owners. The Cooperative shall at all times be operated on a cooperative basis for the mutual benefit of its Member-Owners. The Cooperative shall allocate and distribute to Member-Owners the net surplus from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made. The Cooperative is hereby obligated to pay all such amounts to Member-Owner patrons in cash or by credit to the capital accounts of each Member-Owner patron.

5.2 Consent of Member-Owners. By obtaining or retaining Member-Ownership in the Cooperative, each Member-Owner consents to take into account, in the manner and to the extent required by federal and state tax law, the stated dollar amount of any written notice of allocation in the year such notice is received.

Article 6: DISSOLUTION

6.1 Dissolution. Dissolution can proceed only with two-thirds vote of Member-Owners present in person or by written ballots and voting thereon at a meeting called and conducted in accordance with these bylaws. A committee of three Member-Owners, selected by the Member-Ownership, shall carry out the dissolution. Notice of the proposed dissolution must be provided to the Member-Owners of the Cooperative. Upon dissolution, after (1) all debts and liabilities of the Cooperative have been paid, (2) the par value of stockholders' shares returned, and (3) all capital furnished through patronage have been retired without priority, the remaining property and assets of the Cooperative shall be distributed among the Member-Owners and former Member-Owners in

the proportion which the aggregate patronage of each Member-Owner bears to the total patronage of all such Member-Owners over the preceding six (6) fiscal years, unless otherwise provided by law.

Article 7: FISCAL MATTERS

7.1 Annual Audit and Report. The operations of the Cooperative for each fiscal year shall be audited by an experienced bookkeeper or accountant or firm of accountants not regularly employed by the Cooperative. A written report of the audit, including a statement of services rendered by the Cooperative, with total amount of business transacted, balance sheet, and income and expense statement, shall be submitted to the Annual Meeting of Member-Owners, and shall at all times be available for inspection by any Member-Owner.

7.2 Bonding. Any Officer or Employee of the Cooperative who handles funds or securities of the Cooperative amounting to one thousand dollars (\$1,000) or more in a year shall be covered by an adequate bond approved by the Board of Directors. The costs of any bond shall be paid by the Cooperative.

Article 8: AMENDMENTS TO THE BYLAWS

8.1 Amendments to the Bylaws. These bylaws can be amended by the affirmative vote of two-thirds of Member-Owners at a meeting held after due written notice setting forth the proposed action and the purpose of the meeting. These bylaws can also be amended by the Board, but any amendment adopted by the Board shall be reported to the next Annual Meeting of Member-Owners and, if not affirmatively approved thereat, shall cease to be in effect.

Article 9: AMENDMENTS TO THE CERTIFICATE OF INCORPORATION

9.1 Amendments to the Certificate of Incorporation. The Certificate of Incorporation may be amended as approved by the affirmative vote of two-thirds of the Member-Owners voting thereon at any regular or Special Meeting held after due written notice as provided in Section 12 of the Cooperative Corporations Law.