

Bylaws for New Deal Café Co-op as amended October 5, 2009

Article I. Name and Location

The name of this Corporation, hereinafter referred to as the Corporation is NEW DEAL CAFÉ. It is a non-stock, non-profit membership Corporation organized and existing under the laws of the State of Maryland. The Corporation is located in Greenbelt Maryland.

As a cooperative, we are committed to the seven cooperative principles defined by the 1966 International Cooperative Alliance Conference. These principles are as follows:

1. Membership shall be voluntary and open to all who can use the services of the Cooperative.
2. Political, religious, racial and social neutrality shall be observed.
3. One vote only for each member, with affairs administered by persons elected or appointed in a manner agreed by the members and accountable to them.
4. Dividends on share capital, if any, shall be at a limited rate.
5. Surplus or savings, if any arising out of operations shall be used for the benefit of the members in such manner as to avoid one member gaining at the expense of others. To this end, the Board of Directors may use such surplus or savings for: a) provisions for development of the business of the Cooperative; b) provisions for common services; or c) distribution among the members in proportion to their patronage of the Cooperative.
6. Provision shall be made for the education of members, officers, and employees and the general public, in the principles and techniques of cooperatives.
7. Cooperate in every practical way with other cooperatives.

Article II. Purpose and Powers

Section 1 . Purpose. To create and run the Corporation which should: a) serve as a water hole or "living room" for the community with a 1930s décor; b) serve light fare; and c) be run professionally.

Section 2 . Powers. In furtherance of the foregoing purpose, the Corporation shall have the power to purchase, lease, or otherwise acquire property, equipment, and supplies, and to hire employees.

Article III. Membership

Section 1 . Qualifications.

a. Membership is open to all who pay the minimum membership fee of \$50. Levels of membership include Patron \$500, Sponsor \$150, and Member \$50. Only members 18 and older may vote in cooperative elections. Each individual may hold only a single membership. Employees of the Café are deemed members after six months paid employment, when they fill out an application for membership. Those who are employed during a given membership year have their annual dues waived for that year.

b. Renewing membership in the Cooperative requires payment of \$25 annual dues. The membership year runs from one week after an annual meeting to one week after the following annual meeting. Payment of the membership fee makes a person a member for the membership year in which said fee is paid.

c. The \$50 Membership fee may be waived at the board's discretion for special circumstances.

Section 2 . Enrollment.

a. A person seeking membership in the Corporation must fill out the enrollment form and pay the minimum membership fee.

b. Members do not receive dividends. Memberships are not transferable.

Section 3 . Privileges of Membership.

a. Members of the Corporation shall be permitted to attend meetings of the Board of Directors except Executive Sessions. Executive Sessions are for the consideration of stated particular subjects, the nature of which shall be announced publicly before the Board enters into Executive Session. The Board shall not make policy decisions in Executive Session, but may decide in such session matters affecting employees, pending litigation, or contract negotiations.

b. All members of the Corporation shall have the right to inspect and copy the approved minutes of the Board of Directors (excluding minutes of any meeting held in executive session) at all reasonable times and under reasonable regulations established by the Board of Directors.

c. Current or former members may loan money to the Café only upon completion of a written agreement with the Board for which total interest and other costs do not exceed the current prime interest rate.

Section 4 . Membership Requirement to Hold Office. Only a member of the Corporation, at least 21 years of age, may be a director of the Corporation or a member of a committee elected by the membership. Co-op committees will include an audit committee, an elections or nominations committee, a membership committee, and a volunteer coordination committee.

Article IV. Membership Meetings

Section 1 . Annual Meetings. There shall be a regular annual meeting of the membership held at a time to be determined by the Board of Directors. At this meeting, the Board of Directors will be elected.

Section 2 . Special Meetings. Special membership meetings shall be held within 45 days following the filing with the secretary of a request thereof by the president or by the Board of Directors, or of a petition signed by at least 20 members, except that a special meeting shall not be held within 30 days prior to the annual membership meeting. Such a request or petition shall state the motion or motions to be acted upon at the meeting.

Section 3 . Agenda. Any matter of business shall be placed on the agenda of a membership meeting of the Corporation on written request to the secretary for such action by three members at least seven days in advance of such a meeting. A petition calling for censure or removal of a member of the Board will be placed on the agenda only if presented not less than 31 days before such a meeting.

Section 4 . Notice. Regular, annual, and special meetings shall be announced in the *Greenbelt News Review* at least seven days before the meeting.

Section 5 . Quorum.

a. A quorum to transact business at membership meetings shall be 10 percent of the membership or 25 members who are entitled to vote, whichever number shall be smaller.

b. Despite an absence of a quorum at an annual meeting, the election of the Directors of the Corporation shall proceed. Such election shall be valid if the number of ballots cast satisfies the quorum requirement for the meeting and are within the workings of the laws for corporations as determined by the State of Maryland.

Section 6 . Rules of Order. Unless otherwise provided in these Bylaws, the procedure for the conduct of all meetings of the membership and the Board of Directors shall be governed by *Robert's Rules of Order (Revised)*. In event of any conflict between these Bylaws and *Robert's Rules of Order (Revised)*, these Bylaws shall prevail.

Section 7 . Nominations and Elections.

a. Nominations for the Board of Directors will be taken before the annual meeting by the nominations or elections committee, or by submission to the secretary before voting begins.

b. Only persons who have been members, active or inactive, for at least six months shall be eligible for election to the Board of Directors.

c. Voting for the Board of Directors shall be by secret ballot.

d. Each member shall have one vote on all questions voted at any membership meeting. Voting by proxy shall be allowed only for elections to the Board of Directors. Proxies must be signed and dated. Proxies must be delivered by a member to the secretary at the meeting. A member shall

deliver at most one such proxy. Proxies must state the names of the candidates to be voted for.

Article V. Directors

Section 1 . Board of Directors. The property, business and affairs of the Corporation shall be managed by a Board of Directors composed of five members. The Board has the responsibility to provide the Co-op with direction and oversight and carry out the wishes of the co-op membership.

Section 2 . Terms. Directors of the Corporation shall serve for two-year terms as herein provided or until the election of their successors. In even-numbered years three directors of the Corporation shall be elected, and in odd-numbered years two directors shall be elected, provided, however that at any regular annual meeting, the membership shall elect a director or directors of the Corporation to fill a vacancy or vacancies due to death, resignation, removal or disqualification of a director or directors of the Corporation.

Section 3 . Vacancies.

a. A vacancy in the Board of Directors shall occur upon the death, resignation, removal or disqualification of a director of the Corporation. A director of the Corporation may resign by giving notice in writing to the secretary. A director of the Corporation automatically shall be considered disqualified and to have vacated his/her office if he/she is absent from three regular meetings without permission of the Board during his/her term of office, or if he/she is employed or retained by the Corporation, unless superseded by Article V, Section 6.

b. If a vacancy on the Board shall occur, the Board shall by majority vote of the remaining directors of the Corporation, name a member of the Corporation to fill the vacant directorship until the next regular annual meeting of the members.

c. In the event that a vacancy on the Board leaves less than three Directors who have been elected by the membership, the provision of Article V, Section 3b shall be suspended and a special election by members shall be held to fill the vacancies until the next regular annual meeting. A special election meeting shall be called within three weeks by the secretary or, if there is no secretary, by the membership committee. To the extent feasible, such elections shall conform to other provisions of these bylaws.

Section 4 . Powers and Duties. The Board of Directors shall direct the affairs of the Corporation and make necessary rules and regulations not inconsistent with the law, these Bylaws, or the decisions of the membership meetings. The Board may delegate duties to officers, committees, or other personnel, but it shall be responsible to the membership for their proper performance. It shall be the duty of the Directors of the Corporation, to attend Board meetings to perform such tasks as may reasonably be assigned to them by the Board, to study the problems and work of the Corporation, to report thereon to the membership, and to make every effort to assist the Corporation to achieve its purpose. Specifically, the board shall:

1. Monitor the finances of the Corporation and operating results of its business, and take such actions as is required to keep these in healthy condition.
2. Appoint, assign the duties of, and determine the salary of a general manager, who shall assume administrative control of business of the Corporation. Employment or removal of the general manager must be voted by a majority of the entire Board of Directors. Day-to-day operations and hiring and firing of paid staff are duties of the general manager.
3. After consultation with the Audit Committee, annually elect or hire a certified public accountant as required by Article VIII, Section 4, and define the scope of the audit.
4. Provide adequate insurance of the property of the Corporation and adequate insurance against liability. Members of the Board will also carry adequate liability insurance.
5. Establish equitable personnel policies.
6. Have power to borrow money and make financial commitments for the conduct of the affairs of the Corporation. However, the Board shall not be empowered to enter into new fields of business enterprise, to mortgage or sell corporate real property, or to sell subsidiary corporations without the prior approval of the membership as provided for in Article VIII, Section 8.
7. At all times keep the membership fully informed of the facts pertaining to the operation of the affairs of the Corporation and fully advise the membership of matters which have an important bearing upon the future operation of the affairs of the Corporation.
8. Make a comprehensive report, including financial statements, at the annual meeting of the Corporation, and submit a summary budget or an approximate estimate of the items of income and expenses for the current year. The financial statements shall consist of reasonably detailed statements of income and expenses for the preceding two years. The statements of income and expenses shall segregate labor and material costs from other costs. Copies of all these documents shall be made available to all members at the annual meeting and at the café.
9. Authorize expenditures subject to the provisions of these Bylaws.

Section 5 . Meetings.

a. The Board shall hold regular meetings at least once every three months. Special meetings of the Board shall be held within five days, but not less than three days after called by the president or upon written request by at least two Board members to the secretary. The secretary shall call, mail or deliver written notice of special Board meetings to each director of the Corporation at least three and not more than ten days prior to each meeting, provided, however, that if every member of the Board shall waive his or her right to due notice of meeting, a special meeting may be called for any time.

b. Notice of each special meeting shall state the object of the meeting, and no business other than that specified in the notice shall be transacted. A majority of the Board shall constitute a quorum at any Board meeting.

c. Except with respect to expenditures and contracts (provided for in Section 11 of Article VIII), no item of business shall be finally acted on at a meeting at which it is first introduced if at least two directors of the Corporation request that final action be postponed until the next meeting.

Section 6 . Compensation. The members of the Board of Directors shall be compensated in such amount, as the membership shall direct, provided that directors of the Corporation may, by approval of the Board, be further reimbursed for actual expenses incurred in behalf of or for the benefit of the Corporation.

Article VI. Officers

Section 1 . Election. The officers of the Corporation shall consist of a president, a treasurer, and a secretary. The officers shall be elected by the Board of Directors at the first meeting immediately following the annual election of the directors of the Corporation, and they shall serve for one year or until their successors are elected. Any vacancies in such officers resulting from death, resignation, removal, or disqualification shall be filled by the Board. Any officers who is a member of the Board of Directors may be removed as an officer by a vote of two-thirds of all the members of the Board, after due notice and an opportunity to be heard at a Board meeting.

Section 2 . President. The president shall preside at all meetings of the Corporation and of the Board unless a majority of the Board designates another to do so.

Section 3 . Treasurer. The treasurer shall review the financial records and statements of the Corporation. It shall be the duty of the treasurer to closely study the financial affairs of the Corporation.

Section 4 . Secretary. The secretary shall maintain and have custody of the minutes of the meetings of the membership and the Board of Directors, shall receive all petitions of members relating to membership meetings, and shall give notice to all members of membership meetings. He or she shall countersign all contracts signed by the president and shall supervise maintenance of the membership roll of the Corporation. The Board shall have power to elect one of its members to act as secretary during any temporary absence or disability of the secretary.

Article VII. Committees

Section 1 . Other Committees. The Board and the membership may designate and establish duties of additional committees to carry out other functions of the Corporation.

Article VIII. Financial Regulations

Section 1. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

Section 2. Disposition of Savings. If during any fiscal year, the income from the operations of the Corporation shall exceed its expenses, the net income (frequently called savings or net savings) shall be used first to remedy any deficit from previous operations, and second to create such reserves as the Board of the Directors may deem necessary to protect the Corporation. Insofar as is practicable, all such reserves (appropriations of surplus) shall be funded reserves. Any excess then shall be used in such manner as the membership may determine provided that these provisions are subject to the obligation of the Corporation to fulfill its contractual obligations, including compliance with the terms of any financing or conditions of purchase of property of the Corporation.

Section 3 . Bonding. The treasurer shall be covered by an adequate bond as shall all persons authorized to sign checks or handle Corporation funds and securities amounting to \$1,000 or more in any one year, and the cost of such bonds shall be borne by the Corporation.

Section 4 . Auditing. The books of the Corporation shall be audited by a certified public accountant at least once each fiscal year. A copy of all audit reports shall be available to all members of the Corporation at all reasonable times and under reasonable regulations established by the Board of Directors.

Section 5 . Open Books. The books of the Corporation and all matters relating to fees, contracts, costs, and other transactions involving the Corporation shall be open to inspection by any institution extending financial assistance to the Corporation, as well as by all members of the Corporation at all reasonable times established by the Board of Directors.

Section 6 . Purpose for Which Funds of the Corporation May Be Used. No funds of the Corporation shall be used for any purpose other than expenses incident to taxes, insurance, financing charges, operations, management, maintenance and repairs, and necessary additions to and replacements of property.

Section 7 . Loans and Investments. All funds that are not currently needed to pay obligations shall be invested in funds guaranteed as to principal and interest by the United States Government or by an agency thereof, or deposited in accounts that are fully insured by an agency or instrumentality of the United States Government or in an account fully insured by an agency or instrumentality of the State of Maryland.

Section 8 . Expenditures of Funds in Contracts.

a. No expenditure in excess of \$5,000 shall be made nor any obligation for the expenditure of more than said amount be incurred, except in pursuance of a motion adopted by the Board of Directors. All motions authorizing said expenditures of money or the incurring of an obligation for said expenditures of money shall state specifically the amounts of expenditures authorized and the specific purpose for which authorized. Sums thus authorized shall be applied solely to the specific objects for which they are made and for no others, except pursuant to a motion subsequently adopted by the Board of Directors. No motion authorizing the expenditure of money or the incurring of any obligation for the expenditure of money in excess of \$5,000 shall be adopted until the same shall have been approved by the Board of Directors with the approval of two-thirds of entire Board.

b. All expenditures for supplies, materials, equipment or contractual services (other than as employees of the Corporation) involving more than \$5,000 shall be pursuant to written contract.

c. The Board of Directors shall establish the compensation of the general manager and the compensation rates for all employees of the Corporation with maximum and minimum for each class of positions. Subject to such schedule, the general manager shall fix the compensation of all such employees on the basis of efficiency and length of service.

d. The Board of Directors shall adopt from time-to-time such regulations, not inconsistent with these Bylaws, as in its judgement may be needful or useful in the conduct of the business and financial affairs of the Corporation. No check or other instrument authorizing the payment of the funds of the Corporation shall be signed by any person on behalf of the Corporation until after the date, payee, amount thereof and object for which drawn shall have been entered thereon.

Section 9 . Accounting System. Financial Records and Internal Controls. The Board of Directors shall make sure the books are kept in good shape either by hiring an outside accounting firm or through in-house talent if the opportunity should arise.

Article IX. Amendments

Section 1 . Amendments. These Bylaws may be amended by two-thirds vote at any membership meeting provided that the text of the proposed amendment shall have been included in the notice of the membership meeting. On action by the Board of Directors, or on the written request of any 10 members, the secretary shall include the proposed amendment in the notice of the next membership meeting. Nothing herein shall be construed to prevent the membership from amending a proposed amendment at a membership meeting.

Article X. Indemnification

Section 1 . Indemnification.

a. To the maximum extent permitted by Maryland law and as provided in Maryland law in effect from time-to-time, the Corporation shall indemnify, and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer of such corporation or as a partner or trustee of such partnership, joint venture, trust or employee benefit plan at the request of the Corporation, by reason of service in that capacity; provided that no indemnification shall be permitted if it is proved that such person's actions or omissions were in bad faith or with deliberate dishonesty or that the person actually received an improper benefit in money, property, or services.

b. The Corporation may, with the approval of the Board of Directors, provide such indemnification and advancement of expenses to any employee or agent of the Corporation.

c. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of the Bylaws or Certificate of Incorporation of the Corporation inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Special Rules Of Order ***approved November 16, 2008***

(these can be suspended temporarily by 2/3 majority vote)

DEBATE: Members shall be limited to three minutes the first time they speak to a motion and to one minute on any further speaking to the motion.

AGENDA: The agenda for each membership meeting will follow this format:

- (1) Approval of the minutes, if not a special meeting.
- (2) Reports of officers, committees, and the board.
- (3) Special orders, including election to the board, any bylaw amendments, and motions petitioned per Section IV.2, if any.
- (4) Unfinished business and general orders, if any.
- (5) New business, if not a special meeting.

ELECTION PROCEDURES:

- (1) First eliminate all candidates who have less than a majority of the votes cast, counting both legal and illegal ballots, except not counting illegal proxies. An individual ballot is illegal when one of its names is not legible or it names a candidate known to the vote-counters at the time of voting to be ineligible.
- (2) Then, starting with the highest vote-getter and working down, declare each remaining candidate elected to a position until (a) you have no more candidates, or (b) you have declared enough people elected to fill all positions. If that leaves you with open positions, hold nominations and a new election for the remaining open positions. Among those elected, the longer terms go to the higher vote-getters.
- (3) But if a tie would cause you to fill too many positions, none of those tied people is elected (and so they participate in the run-off).
- (4) If there is a tie among elected candidates who would have different lengths of terms, the members vote among just those tied candidates to decide which one(s) gets the longer term.
- (5) Before applying either of the above tie-rules, give each group of people who are tied the opportunity to decide unanimously who gets elected and/or to which term.

STANDING RULES (approved November 16, 2008)

MINUTES: Within 45 days after a membership meeting, the Board shall vote on approving the minutes of that membership meeting and make them available at the café and on the café's website.

NOTICE OF MEETINGS: The secretary shall email notice of each meeting of the Board and each meeting of the membership to all members who request it. Said notice shall state the time, place, and object of the meeting. For special meetings of the board, notice shall be sent at least two hours before the meeting and within 24 hours after the meeting is called. For all other meetings, said notice shall be sent 5 to 14 days before the meeting. Members who have provided the membership committee with their email addresses shall be assumed to have requested such notices until they inform the secretary otherwise.

ANNUAL MEETINGS: The Board of Directors shall make strong efforts to schedule the annual membership meeting in the second half of January.

Note 1: A Standing Rule is adopted or changed by a simple majority vote at any membership meeting.

Note 2: Robert's Rules pg 457 says: "When the next regular business session will not be held within a quarterly time interval...the executive board or a committee appointed for the purpose should be authorized to approve the minutes...[This] does not prevent the assembly in such a case from making additional corrections at the next regular meeting."