

STATE OF VERMONT  
OFFICE OF SECRETARY OF STATE

**Certificate of Amendment**

I, James C. Condos, Vermont Secretary of State, do hereby certify that

attached is a true copy of the

**Articles of Amendment**

for

**DAILY GROCERIES CO-OP**

**(SEE ATTACHED)**

As filed in this department effective September 25, 2014



September 25, 2014

Given under my hand and the seal  
of the State of Vermont, at  
Montpelier, the State Capital

*James C. Condos*

James C. Condos  
Secretary of State



**VERMONT SECRETARY OF STATE  
Corporations Division**

MAILING ADDRESS: Vermont Secretary of State, 128 State Street, Montpelier, VT 05633-1104  
DELIVERY ADDRESS: Vermont Secretary of State, 128 State Street, Montpelier, VT 05633-1104  
PHONE: 802-828-2386 WEBSITE: www.sec.state.vt.us

**BUSINESS AMENDMENT**

**\*\*ELECTRONICALLY FILED\*\***

FILING NUMBER: 0001992730  
FILING DATE/TIME: 9/25/2014 11:59:00 AM  
EFFECTIVE DATE: 9/25/2014

<b>BUSINESS INFORMATION</b>	
BUSINESS ID	0056520
BUSINESS NAME	DAILY GROCERIES CO-OP
BUSINESS TYPE	Domestic Non-profit Corporation
BUSINESS DESCRIPTION	Any Legal Purpose
BUSINESS EMAIL	manager@dailygroceries.org

**The following Items were amended :**

<b>OFFICER/DIRECTOR INFORMATION</b>	
<b>OFFICER/DIRECTOR NAME</b>	<b>OFFICER/DIRECTOR ADDRESS</b>
Alex Rilko	
Delene Porter	
Meghan Manning	
Tom Reynolds	
Will Hodges	
Willow Tracy	

<b>Amendment Text</b>	
Amendment Text	Article VII. B) Preferred Stock. The aggregate number of preferred shares which the Cooperative shall have the authority to issue or reissue is Two Hundred Thousand (200,000) shares with a par value of Twenty-Five Dollars (\$25.00) per share. Preferred shares of the Cooperative may only be issued to Georgia resident, shall carry no voting rights, and may be transferred only to the Cooperative with the consent of the Board of Directors. Preferred shares may not be transferred in any other manner. The holders of preferred shares shall be entitled to receive dividends on such terms as are determined by the Board of Directors. Preferred shares may be redeemable in whole or in part at the option of the Cooperative by resolution of the Board. Preferred shares shall have preferences over common stock in the net earnings of the Cooperative and in its net assets upon liquidation. The Board of Directors may divide and issue such shares in series and determine their designation, preferences, limitations, and relative rights.



STATE OF VERMONT  
OFFICE OF SECRETARY OF STATE

The Office of Secretary of State hereby grants a

Certificate of Incorporation

to

DAILY GROCERIES CO-OP

a cooperative organized under 11 V.S.A. Chapter Seven.

January 27, 2000

Given under my hand and the seal  
of the State of Vermont, at  
Montpelier, the State Capital

A handwritten signature in cursive script, appearing to read "Deborah L. Markowitz".

Deborah L. Markowitz  
Secretary of State



ARTICLES OF INCORPORATION

OF

DAILY GROCERIES CO-OP

The undersigned, a majority of whom are residents of the State of Vermont, for the purpose of organizing a consumers cooperative under the provisions of the Cooperative Marketing Act, V.S.A., Title 11, Chapter 7, Subchapter 2, hereby subscribe to the following Articles:

Article I. The name of the corporation shall be Daily Groceries Co-op (hereinafter "the Cooperative").

Article II. The period of duration of the Cooperative shall be perpetual.

Article III. The purpose for which the Cooperative is formed is to engage in any one or more lawful mode or modes of acquiring, producing, operating, furnishing, exchanging or distributing food products and other goods and services for the primary and mutual benefit of its patrons. The Cooperative is organized and shall be operated exclusively on a cooperative and not-for-profit basis.

Article IV. The principal place where the business of the Cooperative shall initially be located is 523 Prince Avenue, Athens, Georgia 30601.

Article V. The operating year of the Cooperative shall end in December of each year.

Article VI. Members or shareholders of the Cooperative shall have the right to vote in person or by alternate only (including, when authorized, by written ballot) but not by proxy or otherwise.

Article VII. The aggregate number of shares which the Cooperative shall have authority to issue or reissue is one hundred thousand (100,000) shares with a par value of twenty five dollars (\$25.00) per share.

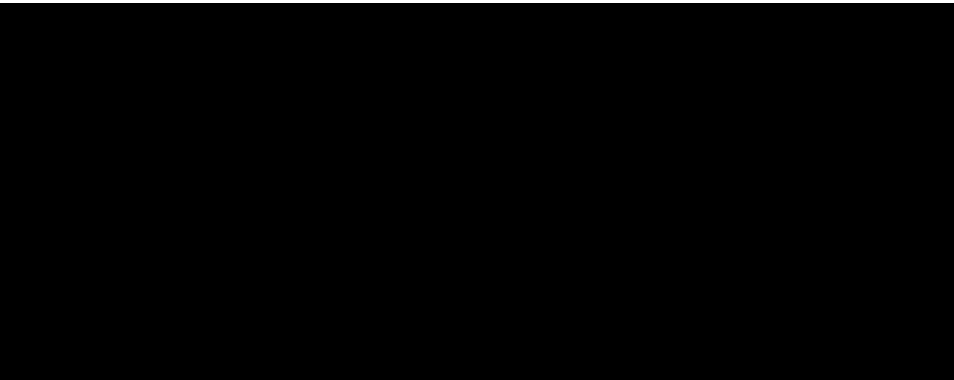
Article VIII. The name and post office address of the resident agent of the Cooperative is Laddie Lushin, Esq., 4120 Braintree Hill Road, Braintree, Vermont 05060-8854.

VERMONT  
SECRETARY OF STATE

2000 JAN 27 PM 1:00

Article IX. The names and post office addresses of the persons who are to serve as directors of the Cooperative until the election and qualification of their successors shall be:

- 1.) Alan Williams,
- 2.) Mark Higgins, 2
- 3.) Amity McManus,
- 4.) Amy Abrahamsen,
- 5.) Patrick Fraser, 88



Article X: The Cooperative shall not be required to indemnify a director or officer who was successful otherwise than on the merits in the defense of a proceeding to which the director was a party because he or she was a director of the Cooperative.

Article XI. Unless otherwise provided by law, the Cooperative shall, to the extent not inconsistent with the Cooperative Marketing Act, be governed in accordance with the provisions of the Vermont Nonprofit Corporation Act, V.S.A., Title 11B.

Article XII. On liquidation and dissolution of the Cooperative, its assets shall be distributed, after paying or making provision for payment of all liabilities and expenses of liquidation, by redeeming shares which, if they cannot be paid in full, shall be paid on a pro rata basis among all outstanding amounts, and then by distributing any remaining assets as set forth in the bylaws of the Cooperative or as determined by the Board of Directors of the Cooperative.

Dated at Randolph, Vermont, in the County of  
Orange this 25th day of January, 2000  
19

Incorporators Signatures

Post Office Addresses

Amity McManus

131 Grady Ave #2  
Athens, GA 30601

VERMONT  
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2000 JAN 27 PM 1:04

Amy Abrahamsen  
Amy Abrahamsen

Susan Rockwell  
Susan Rockwell

Robin Cavanaugh  
Robin Cavanaugh

Laddie Lushin Braintree



[Names must be printed or typed under all signatures.]

STATE OF VERMONT )  
 ) ss. COUNTY OF ORANGE )

At Randolph, Vermont, in said County, on this 25<sup>th</sup> day of January, ~~1999~~<sup>2000</sup>, personally appeared the said Laddie Lushin and made oath or affirmation to the truth of the foregoing Articles of Incorporation.

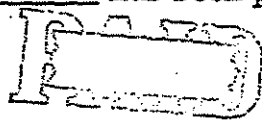
Before me Sally S. Deegan  
Notary Public  
My commission expires: February 10, 2003

ARTICLES OF INCORPORATION  
OFFICE OF SECRETARY OF STATE

FILED January 27, 2000

Daniel M. [Signature]

filing fee of \$ \_\_\_\_\_ has been paid.



Laddie Lushin  
Attorney at Law

B-9728

RD 1, Braintree Hill, Randolph, Vermont 05060

February 2, 2000

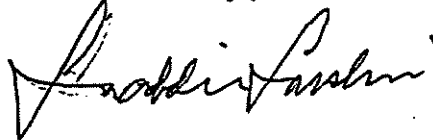
Department of Agriculture  
116 State Street, Drawer 20  
Montpelier, VT 05602

Dear Sir or Madam:

Re: Daily Groceries Co-op

In accordance with Vermont law, 11 V.S.A. sec. 995(11), I am herewith filing with your office a copy of the Certificate and Articles of Incorporation of the above-captioned cooperative corporation.

Sincerely,



**COPY**

ARTICLES OF MERGER

OF

DAILY GROCERIES, INC.  
(A GEORGIA CORPORATION)

INTO

DAILY GROCERIES CO-OP  
(A VERMONT CORPORATION)

Pursuant to the provisions of Title 11B, Chapter 11, of the Vermont Statutes Annotated and Title 14, Chapter 2, Article 11, of the Code of Georgia, Daily Groceries, Inc., being a business corporation under the laws of the State of Georgia, and Daily Groceries Co-op, being a nonprofit cooperative corporation under the laws of the State of Vermont, for the purpose of effecting the merger of Daily Groceries, Inc. into Daily Groceries Co-op, do hereby submit the following Articles:

Article I: The Plan of Merger governing the transaction contemplated by these Articles is set forth as an attachment hereto.

Article II: Approval of shareholders and the board of directors of the Daily Groceries, Inc. being required under laws of the State of Georgia, such approvals of the Plan of Merger attached hereto have been obtained.

Article III: There being no members or shareholders of Daily Groceries Co-op and no approval being required of any person other than its board of directors, the Plan of Merger attached hereto was approved in accordance with the laws of the State of Vermont by a majority of the directors then in office of Daily Groceries Co-op.

The foregoing Articles shall have a delayed effective date of March 31, 2000 at 10:00 p.m.

Dated: 14 MARCH, 2000.

Daily Groceries Co-op

by Alan B. Williams  
Printed name: Alan B. Williams  
Title: President

Daily Groceries, Inc.

by J. F. Schultz  
Printed name: JENNIFER SCHULTZ  
Title: TREASURER



## PLAN OF MERGER

Whereas, Daily Groceries, Inc. was acquired for the purpose of converting it into a consumer cooperative, and has since been operated in the manner of a cooperative; and

Whereas, the Georgia Business Corporations Act under which Daily Groceries, Inc. is incorporated is not designed to accommodate cooperative corporations, and there is no other incorporation statute in the State of Georgia suitable for the incorporation of a consumer cooperative; and

Whereas, the Vermont Cooperative Marketing Act is specifically designed to accommodate corporations operating on a cooperative basis and is favorable in regard to the proposed structure of the corporation;

Therefore, be it resolved by the Board of Directors of Daily Groceries, Inc. that it is advisable and in the best interests of the corporation that it be converted into a consumer cooperative corporation under Vermont law and that this be implemented by the following actions:

(a) That a new cooperative corporation be organized under Vermont law with the name Daily Groceries Co-op in accordance with proposed Articles of Incorporation.

(b) That Daily Groceries, Inc. be merged into Daily Groceries Co-op which shall be the surviving corporation. The merger shall be effected in accordance with applicable law of both Vermont and Georgia, and shall have the effects set forth in such laws. Accordingly, upon the effective date of the merger, Daily Groceries Co-op shall acquire all of the property and assets of Daily Groceries, Inc., and shall assume all of the liabilities and obligations of Daily Groceries, Inc. The separate corporate existence of Daily Groceries, Inc. shall cease upon the effective date of the merger.

(c) Members of Daily Groceries, Inc., except those who affirmatively decline, shall automatically become member/shareholders of Daily Groceries Co-op upon the effective date of the merger. The investments paid by each member of Daily Groceries, Inc. shall be converted into a common share of Daily Groceries Co-op or credit towards the purchase of a common share on a dollar-for-dollar basis.

(d) From and after the effective date of the merger, Daily Groceries Co-op shall conduct the operations formerly conducted by Daily Groceries, Inc. From and after the effective date of the merger, all of the current directors and officers of Daily Groceries, Inc. will serve in their

respective capacities as directors and officers of Daily Groceries Co-op for the terms for which they were elected, unless sooner removed and replaced by the member/-shareholders of Daily Groceries Co-op.

(e) From and after the effective date of the merger, all employees of Daily Groceries, Inc. shall become employees of Daily Groceries Co-op. No employees of Daily Groceries, Inc. shall, as a result of the merger, be terminated. This shall not, however, affect the rights of Daily Groceries Co-op subsequent to the merger to hire new employees or to terminate any existing employees or modify their job descriptions, as may appear to be in its best interests and consistent with prudent business practice.

(f) The merger shall require no amendments to the articles of incorporation of Daily Groceries Co-op, the surviving corporation.

(g) The foregoing merger shall be made effective on a date approximately thirty days after the date of mailing of Articles of Merger to the Secretaries of State of Georgia and of Vermont.

It is intended that the above-described merger shall qualify as a tax-free reorganization pursuant to section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended.

# Secretary of State

Corporations Division  
315 West Tower  
2 Martin Luther King, Jr. Dr.  
Atlanta, Georgia 30334-1530

DOCKET NUMBER : 000901597  
CONTROL NUMBER: K114740  
EFFECTIVE DATE: 03/31/2000  
REFERENCE : 0045  
PRINT DATE : 04/19/2000  
FORM NUMBER : 411

DAILY GROCERIES CO-OP  
3 PRINCE AVE.  
DUNWOODY GA 30601

## CERTIFICATE OF MERGER

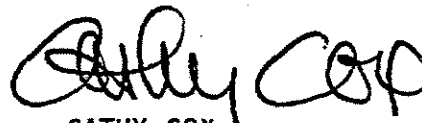
Cathy Cox, the Secretary of State of the State of Georgia, do hereby issue this certificate pursuant to Title 14 of the Official Code of Georgia annotated certifying that articles or a certificate of merger and fees have been filed regarding the merger of the below entities, effective as of the date shown above. Attached is a true and correct copy of the said filing.

Surviving Entity:

DAILY GROCERIES CO-OP, A VERMONT NONPROFIT COOPERATIVE CORPORATION

Merger Entity/Entities:

DAILY GROCERIES, INC., A GEORGIA CORPORATION



CATHY COX  
SECRETARY OF STATE



# Secretary of State

Corporations Division

315 West Tower

2 Martin Luther King, Jr. Dr.  
Atlanta, Georgia 30334-1530

CONTROL NUMBER: 0018025  
EFFECTIVE DATE: 04/11/2000  
JURISDICTION : VERMONT  
REFERENCE : 0077  
PRINT DATE : 04/19/2000  
FORM NUMBER : 317

ALAN B. WILLIAMS  
523 PRINCE AVE.  
ATHENS, GA 30601

## CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS

I, Cathy Cox, the Secretary of State and the Corporations Commissioner of the State of Georgia, do hereby certify under the seal of my office that

**DAILY GROCERIES CO-OP (INC.)  
A FOREIGN NONPROFIT CORPORATION**

has been duly incorporated under the laws of the jurisdiction set forth above and has filed an application meeting the requirements of Georgia law to transact business as a foreign corporation in this state.

WHEREFORE, by the authority vested in me as Corporation Commissioner, the above named corporation is hereby granted, on the effective date stated above, a certificate of authority to transact business in the State of Georgia as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



Cathy Cox  
Secretary of State

**BYLAWS OF**  
**Daily Groceries Co-op**  
**A Cooperative Organized Under**  
**Vermont Statutes, Title 11, Chapter 7, Subchapter 2**  
**Adopted October 15, 2012**

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**Article I**  
**Organization**

- § 1.1 **Name.** The name of the organization is Daily Groceries Co-op ("the Co-op").
- § 1.2 **Ownership and Purpose.** The Co-op shall be owned by its members and shall operate for the primary and mutual benefit of its members and its community.
- § 1.3 **Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

**Article II**  
**Ownership**

- § 2.1 **Eligibility.** Membership in the Co-op shall be open to any person who is in accord with its purposes and is willing to accept the responsibilities of membership.
- § 2.2 **Admission.** Any eligible person may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors.
- § 2.3 **Rights.** Members have the right to elect the Co-op's Board of Directors, to attend meetings of the Board, to receive notice of and attend membership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws. Each member shall have one vote and no more on all matters submitted to members. The rights of members shall be understood to apply only to active members in good standing. All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time.
- § 2.4 **Responsibilities.** Members shall keep current in equity investments due to the Co-op, shall keep the Co-op informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Co-op or the Board. A member who upholds these responsibilities is considered an active member in good standing.
- § 2.5 **Non Transferability.** A membership is not transferable. A Member's rights shall not be transferable, except that a Member may designate the persons in their household who shall be entitled to membership rights while said person is a Member. However, more than one person in the same household may become an independent Member and therefore has distinct responsibilities, membership requirements, and voting rights from the other Members in said household.

§ 2.6 **Termination of Membership.** A member may terminate their membership voluntarily at any time by written notice to the Co-op. Membership may be terminated involuntarily by the Board for cause after the member is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Co-op's bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-op or its members, willful obstruction of any lawful purpose or activity of the Co-op, or breach of any contract with the Co-op.

### **Article III Meetings of Owners**

- § 3.1 **Annual Meeting.** A membership meeting shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect the Co-op, and to transact such other business as may properly come before the meeting.
- § 3.2 **Special Meetings.** Special meetings of the membership may be called by the Board, either by decision of the Board or in response to a written petition of 5% of the active members. Notice of special meetings shall be issued to members. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting. Decisions made at any special meeting are advisory only.
- § 3.3 **Notice of meetings.** Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the principal office of the Co-op and communicated to members not less than four (4) weeks prior to the date of the meeting.
- § 3.4 **Quorum.** At any annual or special members' meeting, a quorum necessary for the transaction of business shall be ten percent (10%) of the total number of members; though the minimum quorum will be set at twenty members and the maximum necessary for quorum will be capped at 100 members.
- § 3.5 **Voting.** Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the principal office of the Co-op and communicated to members not less than four (4) weeks prior to the end of the election period. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by law, all questions shall be decided by a vote of a majority of the members voting thereon. Proxy voting is not allowed.

## **Article IV Board of Directors**

- § 4.1 **Powers and duties.** Except as to matters reserved to owners by law or by these bylaws, the business and affairs of the Co-op shall be directed and overseen by the Board of Directors ("the Board"). The Board shall consist of seven individuals. Each director must be a member of the Co-op, provided, however, that the Board of Directors may, in its discretion, specify that up to one (1) director at any time may be a non-member. The Board shall have full power to govern the Co-op, including, but not limited to, hiring management and evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is carried out.
- § 4.2 **Qualifications.** Management hired by, and responsible to, the Board shall not be eligible to serve as directors (e.g. GM, Co-managers). Otherwise, one employee is eligible to serve as a director. This employee would not be eligible to serve as an officer nor would they have a vote on any disciplinary action, evaluation or salary considerations of the Management. Furthermore, certain discussions pertaining to the Management may be deemed sensitive by the rest of the Board. In these cases the employee member must not be present for, or otherwise participate in such discussions.
- § 4.3 **Terms and Elections.** Elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that no more than three (3) terms expire in each year. No Director may serve more than three (3) consecutive terms.
- § 4.4 **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 decision or discussion of the matter.
- § 4.5 **Indemnification.** The Co-op shall indemnify its current and former directors to the maximum extent permitted under the law and its Articles of Incorporation and these bylaws. Indemnification payments shall be made on a priority basis but only in such increments and at such times as will not jeopardize the ability of the Co-op to pay its other obligations as they become due.
- § 4.6 **Insurance.** The Co-op 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 the Co-op against liability asserted against and incurred by the person in the person's capacity as a director, officer, manager, employee or agent, or arising from the person's status as a director, officer, manager, employee, or agent of the Co-op.

- § 4.7 **Committees.** The Board may appoint standing or special committees to advise the Board or to exercise such authority as the Board shall designate. Members of all committees shall be appointed or approved by the Board and may be removed or replaced by the Board whenever the best interests of the Co-op would thereby be served. To exercise any authority of the Board a committee must be composed exclusively of directors and may take action only upon reasonable notice to all of its members and a quorum of at least three committee members. An executive committee shall include the President, Secretary and Treasurer. No committee shall operate to relieve the Board of any of its legal responsibilities in the oversight of the Co-op.
- §4.8 **Removal.** A director may be removed in any of the following ways: (i) voluntarily by a director upon written notice to the Co-op; (ii) automatically upon termination of ownership in the Co-op; (iii) by action at a meeting of owners whenever the best interests of the Co-op would thereby be served; and (iv) for cause by the Board, provided such person is accorded the opportunity to respond to the charges either in person or in writing. A director who is absent from two consecutive Board meetings, unless excused by the Board for good cause, shall be presumed to have resigned.
- § 4.9 **Vacancies.** Any vacancy among Directors elected by the members may be filled by appointment by the Board. A Director so appointed shall complete the pertinent term.
- § 4.10 **Financial Matters.** The Board shall have the power to select one or more banks or other financial institutions to act as depositories of the funds of the Co-op, and to determine the person or persons who shall have authority to sign checks and other instruments.

## **Article V Meetings of the Board**

- § 5.1 **Meetings.** The Board shall hold regular meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least ten (10) days in advance. The time and place of all meetings shall be posted in a conspicuous place at the principal office of the Co-op not more than one day after calling of the meeting. Meetings shall be open to all members 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 Co-op's position in the marketplace; and/or discussion of a matter that may, by law, be considered confidential.
- § 5.2 **Quorum.** A majority of the current Directors shall constitute a quorum. No binding decisions will be made without a quorum. Decisions made in the absence of a quorum may be ratified at a future meeting where a quorum is present, or in accordance with 5.3.



§ 5.3 **Action without a meeting.** An action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a written consent to the action is signed by all active directors and filed with the minutes of the next scheduled Board meeting.

## **Article VI Officers**

§ 6.1 **Officers.** The Board will designate officers according to the requirements of state law and as necessary for the effective conduct of Board business.

## **Article VII Fiscal Matters**

§ 7.1 **Fiscal year.** The Board of Directors may by resolution adopt a fiscal year of the Co-op from time to time.

§ 7.2 **Allocations to members.** The net profit of the Co-op, to the extent attributable to the patronage of owners, may be allocated and distributed among owners as patronage dividends in proportion to their patronage and in such a manner and at such a time as to constitute patronage dividends within the meaning of state and federal income tax law.

§ 7.3 **Use of net earnings.** The Board shall determine when and how allocations and distributions of patronage dividends will be made. Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board, be excluded from distribution provided that the funds are not then or later distributed to other Members. At the discretion of the Board, a designated portion of retained earnings may be used for the development needs of the Co-op and for the provision and extension of its services.

§ 7.4 **Consent of members.** By obtaining or retaining membership in the Co-op, each member 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.

## **Article VIII Amendment of Bylaws**

§ 8.1 **Amendments.** These by-laws may be amended or repealed in whole or in part by a majority of the members who participate in the vote as further described in this section. An amendment may be proposed by decision of the Board or by petition of at least five percent (5%) of active members. The proposed amendment shall be publicized to the membership not less than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.