

**COMPARISON
OF THE CURRENT BYLAWS OF GREENTREE COOPERATIVE
WITH THE PROPOSED RESTATED BYLAWS OF GREENTREE COOPERATIVE**

| GREENTREE COOPERATIVE CURRENT BYLAWS | | GREENTREE COOPERATIVE PROPOSED RESTATED BYLAWS | |
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| Section | Summary of Provision | Comparable Section | Summary of Comparable Section |
| Art. I - Name | The name of the corporation is GreenTree Cooperative. | Section 1.1 – Name | Same substance as current Bylaws. |
| Art. II – Purpose | The purpose of GreenTree is to: (A) provide Members with goods and services on a non-profit basis, and (B) unite Members to improve their economic and social lives in mutual support, consistent with Rochdale principles. | Section 1.2 – Purpose | Same substance as current Bylaws. |
| Art. III – Office | The office of GreenTree is in Isabella County, Michigan. | No comparable provision | There is no provision in the proposed Restated Bylaws stating that the office of GreenTree is in Isabella County; however, the Articles of Incorporation state that the registered office of GreenTree is located in Isabella County. |
| Art. IV.A – Eligibility | Persons wishing to avail themselves of the services of GreenTree may become Members. | Section 2.1 – Membership Eligibility | Persons may apply for membership. Applicants are admitted as Members if the Board accepts the application and the applicant makes the capital contribution required by Board. |
| Art. IV.B – Application | A person may become a Member by submitting an application. | | |
| Art. IV.C – Inalienable Rights | The rights of the Members include the items set forth in Article IV.C. | Various sections | Many of the inalienable rights set forth in Article IV.C of the current Bylaws are contained in various provisions within the proposed Restated Bylaws. For example, Members have the right to vote in election of Directors (§3.4), the right to vote on proposed bylaw amendments (§3.4), and the right to receive services and benefits of GreenTree. However, due to the protections inherent in Michigan law and other provisions of the proposed Restated Bylaws, the proposed Restated Bylaws do not expressly grant Members the right to due process in the functioning of GreenTree. |
| Art. IV.D – Evidence of Membership | GreenTree shall issue membership certificates to Members. | Section 2.2 – Evidence of Membership | Same substance as current Bylaws. |
| Art. IV.E – Requirements of Membership | Members shall purchase shares in accordance with GreenTree's membership program and comply with regulations established by GreenTree. | Various – Sections 2.1 & 2.3 | Members are required to purchase membership and comply with GreenTree policies and regulations. |
| Art. IV.F – Resignation | Members may resign at any time. Members are also deemed to have resigned if mailings are returned to GreenTree as “undeliverable.” | Section 2.4 – Resignation of Membership | Same as current Bylaws, except that the proposed Restated Bylaws also permit the Board to terminate a Member’s membership if the Member fails to patronize GreenTree to levels determined by the Board. |
| Art. V.A – Place & Time of Meetings | Member meetings shall take place in Isabella County at least once each year within 150 days of the end of GreenTree's fiscal year end. | Section 3.1 – Annual Meeting | Same substance as current Bylaws. |
| Art. V.B – Special Meetings | 5% of the Members may call a special meeting. | Section 3.2 – Special Meetings | Same substance as current Bylaws. |

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| Art. V.C – Meeting Notices | Members shall receive written notice of all Member meetings at least 10, but not more than 45, days before the meeting. | Section 3.6 – Notice of Meetings | This section is substantially the same as the current Bylaws, except a few modifications were made in accordance with Michigan law. For example, notices must be given within 10 but no more than 60 days before the meeting. This section also permits notice to be given by display in a newspaper or periodical regularly published by GreenTree. |
| Art. V.D – Quorum | A quorum is the lesser of 10% of the membership or 50 Members. | Section 3.3 – Quorum | Same substance as current Bylaws. |
| Art. V.E – Voting Procedures | Voting for the election or recall of Directors or proposed bylaw amendments shall be by secret ballot. Each membership shall have 1 vote on any action requiring a Member vote; however, cumulative voting is used in the election of Directors. Absentee voting is permitted for the election of Directors and proposed bylaw amendments. A majority of the votes cast shall decide an issue, except that Bylaw amendments require a 2/3 affirmative vote. In the election of Directors, candidates given the largest number of valid votes shall be deemed elected. | Section 3.5 – Voting | This section is substantially the same as the current Bylaws, except that secret ballot voting is not expressly called for in votes for Director recalls or bylaw amendments. |
| Art. V.F – Standard Agenda | A standard agenda will be followed at membership annual meetings. | No comparable provision | There is no provision in the proposed Restated Bylaws requiring that a standard agenda be followed at annual membership meetings. Removing this provision gives the Members and the Board more flexibility. |
| Art. VI.A – Board of Directors | The affairs of GreenTree shall be governed by a Board of Directors. The Board will have 5-9 members. Directors must be at least 18. GreenTree employees are not eligible to be Directors. | Sections 4.1, 4.2 and 4.4 | Same as Art. VI.A and B of current Bylaws. |
| Art. VI.B – Board Powers | The Board shall direct the affairs of GreenTree and may do all of those acts on behalf of GreenTree necessary for its administration, except such powers reserved to the Members. | | |
| Art. VI.C – Election | Directors are elected by the Members at the annual membership meeting with no more than 3 full-term positions on the ballot in any given year. | Sections 4.3 and 4.5 | Same substance as current Bylaws. |
| Art. VI.D – Recall of Directors | Members may recall any Director at any time either with or without cause. | Section 4.6 – Recall and Removal | Same substance as current Bylaws. |
| Art. VI.E – Resignation of Directors | A Director may resign by written notice to the Board. 3 unexcused absences in a 12 month period results in automatic resignation. | Sections 4.7 and 4.8 | Same substance as current Bylaws. |
| Art. VI.F – Director Compensation | Directors are compensated through GreenTree’s volunteer compensation policy. | Section 4.17 - Compensation | Same substance as current Bylaws. |
| Art. VI.G – Meetings | The Board shall set the time, date, and place of their meetings and announce such to the Members. Members may attend meetings except for executive sessions dealing with contract negotiations, lawsuits, or personnel problems. | Section 4.9 – Regular Meetings | Same substance as current Bylaws. |
| Art. VI.H – Special Meetings | Any Director may call a special Board meeting. | Section 4.10 – Special Meetings | This section is substantially the same as the current Bylaws. |
| Art. VI.I – Notice | 3 days’ notice is required for Board meetings, except that shorter notice is permitted for emergency situations. | Sections 4.9 and 4.10 | The notice provisions are contained Sections 4.9 and 4.10 and require prior notice of at least 1 day before meetings. |

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| Art. VI.J – Quorum | A majority of the Directors constitutes a quorum required to conduct business. An action is approved by the affirmative vote of a majority of a quorum of the Directors. Directors are expected to disqualify themselves and not vote if there is a conflict of interest. | Section 4.12 – Quorum | Same as current Bylaws, except that the conflict of interest provisions would be set forth in a separate Board policy. |
| Art. VII – Officers | The Board shall elect officers. | Section 4.1 – General Powers | Section 4.1 clarifies that the Board will appoint officers. |
| Art. VIII.A – Financial Plan | GreenTree is financed through Member capital and will seek contributions and loans for the purpose of maintaining the store. GreenTree will charge fees for services and goods. | No comparable provision | However, the Articles of Incorporation state that GreenTree is financed through retail sales, membership fees, fundraising activities, loans, and the sale of nonvoting investment certificates, bonds and similar instruments. |
| Art. VIII.B – Fiscal Records | All revenues and disbursements shall be recorded in journals. | Art. X – Books and Records | Same substance as current Bylaws. |
| Art. VIII.C – Fiscal Year | GreenTree’s fiscal year ends December 31 st | Art. IX – Administrative Provisions | Same substance as current Bylaws. |
| Art. VIII.D – Non-profit Operation | GreenTree shall not pay profits to anyone. Net earnings after expenses, taxes, worker bonuses and interest belong to the Members who have purchased goods and services. Such net earnings shall be returned to Members in proportion to their patronage, or used to reduce prices, or capitalize new services, as determined by the Board. | Art. VIII – Fiscal Policies | Similar to the current Bylaws, this section requires patronage refunds to Members. However, this Article is more comprehensive than the current Bylaws. It contains detailed provisions regarding member patronage and capital. It also includes certain provisions required by the Internal Revenue Code and Michigan law, and other optional provisions intended to give the Board of Directors flexibility in financial and accounting matters. |
| Art. VIII.E – Limited Interest | GreenTree shall pay no more than 8% interest on funds loaned to it. | | |
| Art. IX – Amendments | Bylaw amendments require an annual Board review and must be approved by 2/3 of the Members present at a membership meeting where a quorum is present. | Art. XI – Amendments | This section is substantially the same as the current Bylaws, except that the annual review requirement is eliminated to give the Board and Members more flexibility. |
| Art. X – Cooperation among Cooperatives | GreenTree will advise and assist other cooperative enterprises and will maintain membership in associations of cooperatives serving Mid-Michigan. | Art. XII – Cooperation Among Cooperatives | Same substance as current Bylaws. |
| Art. XI – Non-Partisanship | GreenTree will not permit itself to be used for partisan political or religious purposes. | Art. XIII – Non-Partisanship | Same substance as current Bylaws. |
| Art. XII – Education in Cooperation | GreenTree will educate its Members and the public in the principles of cooperation. | Art. XIV – Education in Cooperation | Same substance as current Bylaws. |
| Art. XIII – Indemnification | GreenTree will indemnify Directors, staff and officers for all claims and liabilities to which they are subject by reason of their positions. Indemnification will be made only if the person acted in good faith. | Art. XV – Indemnification | This section is substantially the same as the current Bylaws. |
| Art. XIV – Dissolution | In the event of dissolution, the assets of GreenTree shall be distributed to the non-profit institutions designated by the membership. | Art. XVI – Dissolution | This section was modified to comply with the dissolution provisions set forth in Section 1183 of the Michigan Nonprofit Corporation Act. |

In addition to the items summarized in the above chart, the proposed Restated Bylaws contain several nonmaterial provisions that are not contained in the current Bylaws. These provisions were added to comply with the Michigan Nonprofit Corporation Act, the Michigan Consumer Cooperative Act, and industry best practices. The list below identifies those provisions and provides a brief summary of each.

- Section 2.6 (Liability of Members). This provision clarifies that no Member is personally liable for the debts of GreenTree, unless the Member has agreed in writing to be liable for such debts.
- Section 3.4 (Matters Requiring Member Vote). This provision sets forth a list of items that must be approved by the Members.
- Section 3.7 (Notice of Adjourned Meeting). This provision governs the providing of notice for adjourned Member meetings.
- Section 3.8 (Waiver of Notice). This provision states that a Member may waive notice of a Member meeting.
- Section 3.9 (Action Without Meeting). This provision permits the Members to take action without a meeting if consent in writing is signed by the minimum number of Members that would be necessary to authorize or take action at a meeting at which all Members were present.
- Section 3.10 (Inspectors). This provision permits the Board to appoint inspectors to monitor the votes at Member meetings.
- Section 4.14 (Action Without Meeting). This provision permits the Board to take action without a meeting if all Directors consent in writing.
- Section 4.15 (Meetings by Electronic Communication). This provision permits Directors to attend Board meetings by electronic communication (i.e., phone).
- Article V (Officers). The provisions under Article V clarify that GreenTree will have a President, Treasurer and Secretary and sets forth the manner of their election.
- Article VI (Committees). The provisions under Article VI permit GreenTree to appoint various board committees.