

272A.1-110 Effect of organic rules.

- (1) The relations between a limited cooperative association and its members are consensual. Unless required, limited, or prohibited by this chapter, the organic rules may provide for any matter concerning the relations among the members of the association and between the members and the association, the activities of the association, and the conduct of its activities.
- (2) The matters referred to in paragraphs (a) to (k) of this subsection may be varied only in the articles of association. The articles may:
 - (a) State a term of existence for the association under KRS 272A.1-050;
 - (b) Limit or eliminate the acceptance of new or additional members by the initial board of directors under KRS 272A.3-020;
 - (c) Vary the limitations on the obligations and liability of members for association obligations under KRS 272A.5-030;
 - (d) Require a notice of an annual members meeting to state a purpose of the meeting under KRS 272A.5-070;
 - (e) Vary the board of directors meeting quorum under KRS 272A.8-150;
 - (f) Vary the matters the board of directors may consider in making a decision under KRS 272A.8-190;
 - (g) Specify causes of dissolution under KRS 272A.12-020;
 - (h) Delegate amendment of the bylaws to the board of directors pursuant to KRS 272A.4-050;
 - (i) Provide for member approval of asset dispositions under KRS 272A.15-010;
 - (j) Subject to KRS 272A.8-190, provide for the elimination or limitation of liability of a director to the association or its members for money damages pursuant to KRS 272A.8-180;
 - (k) Provide for permitting or making obligatory indemnification under KRS 272A.9-010; and
 - (l) Provide for any matters that may be contained in the organic rules, including those under subsection (3) of this section.
- (3) The matters referred to in paragraphs (a) to (y) of this subsection may be varied only in the organic rules. The organic rules may:
 - (a) Require more information to be maintained under KRS 272A.1-120 or provided to members under KRS 272A.5-040;
 - (b) Provide restrictions on transactions between a member and an association under KRS 272A.1-130;
 - (c) Provide for the percentage and manner of voting on amendments to the organic rules by district, class, or voting group under KRS 272A.4-040;
 - (d) Provide for the percentage vote required to amend the bylaws concerning the admission of new members under KRS 272A.4-050;
 - (e) Provide for terms and conditions to become a member under KRS 272A.5-010;
 - (f) Restrict the manner of conducting members meetings under KRS 272A.5-050 and 272A.5-060;

- (g) Designate the presiding officer of members meetings under KRS 272A.5-050 and 272A.5-060;
- (h) Require a statement of purposes in the annual meeting notice under KRS 272A.5-070;
- (i) Increase quorum requirements for members meetings under KRS 272A.5-090 and for board of directors meetings under KRS 272A.8-150;
- (j) Allocate voting power among members, including patron members and investor members, and provide for the manner of member voting and action as permitted by KRS 272A.5-100, 272A.5-110, 272A.5-120, 272A.5-130, 272A.5-140, and 272A.5-150;
- (k) Authorize investor members and expand or restrict the transferability of members interests to the extent provided in KRS 272A.6-020, 272A.6-030, and 272A.6-040;
- (l) Provide for enforcement of a marketing contract under KRS 272A.7-040;
- (m) Provide for qualification, election, terms, removal, filling vacancies, and member approval for compensation of directors in accordance with KRS 272A.8-030, 272A.8-040, 272A.8-050, 272A.8-070, 272A.8-090, and 272A.8-100;
- (n) Restrict the manner of conducting board meetings and taking action without a meeting under KRS 272A.8-110 and 272A.8-120;
- (o) Provide for frequency, location, notice, and waivers of notice for board meetings under KRS 272A.8-130 and 272A.8-140;
- (p) Increase the percentage of votes necessary for board action under KRS 272A.8-160;
- (q) Provide for the creation of committees of the board of directors and matters related to the committees in accordance with KRS 272A.8-170;
- (r) Provide for officers and their appointment, designation, and authority under KRS 272A.8-210;
- (s) Provide for forms and values of contributions under KRS 272A.10-020;
- (t) Provide for remedies for failure to make a contribution under KRS 272A.10-030;
- (u) Provide for the allocation of profits and losses of the association, distributions, and the redemption or repurchase of distributed property other than money in accordance with KRS 272A.10-040, 272A.10-050, 272A.10-060, and 272A.10-070;
- (v) Specify when a member's dissociation is wrongful and the liability incurred by the dissociating member for damage to the association under KRS 272A.11-010(2) and (3);
- (w) Provide the personal representative, or other legal representative of, a deceased member or a member adjudged incompetent with additional rights under KRS 272A.11-030;
- (x) Increase the percentage of votes required for board of director approval of:
 - 1. A resolution to dissolve under KRS 272A.12-050;

2. A proposed amendment to the organic rules under KRS 272A.4-020;
 3. A plan of merger under KRS 272A.16-050(1); and
 4. A proposed disposition of assets under KRS 272A.15-030; and
- (y) Vary the percentage of votes required for member approval of:
1. A resolution to dissolve under KRS 272A.12-050;
 2. An amendment to the organic rules under KRS 272A.4-050;
 3. A plan of merger under KRS 272A.16-060; and
 4. A disposition of assets under KRS 272A.15-040.
- (4) The organic rules shall address members contributions pursuant to KRS 272A.10-010.

Effective: July 12, 2012

History: Created 2012 Ky. Acts ch. 160, sec. 11, effective July 12, 2012.