

Coteau Community Market Bylaws

Article I: Organization

1.1 Name. The name of the organization shall be Coteau Community Market (“the Cooperative”).

1.2 Purpose. The Cooperative shall engage in a marketing and mercantile business for the purpose of providing its members and patrons on a cooperative basis with such products and services as the members may require, or for any other lawful purpose authorized by the members of the Cooperative.

Article II: Membership

2.1 Eligibility. Any person eighteen (18) years of age or older or entity is eligible to apply for non-refundable membership in accordance with the terms established by the Board of Directors (“the Board”).

2.2 Non-discrimination. Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.

2.3 Admission. Any eligible applicant may be admitted to membership in the Cooperative upon submitting an application and investing equity in an amount and on such terms as determined by the Board. The Board shall review applications for membership. Upon the Board’s approval of an application, and payment of the non-refundable membership equity, the applicant shall be a member of the Cooperative (each member referred to as a “Member” and collectively as “Members”).

2.4 Definition of Memberships. Memberships are divided into the following three categories:

2.4.1 Individual. Any natural person.

2.4.2 Institutional. An entity (business, organization, political agency, etc.). Institutional members must designate a delegate and an alternate delegate with the Cooperative to vote on behalf of the Institution in matters of the Cooperative brought before Members. Use of the Institutional membership is intended to support the Cooperative, to feed an Institution’s population, or to produce items for sale.

2.4.3 Student. Any individual currently enrolled in post-secondary education. Student memberships have all rights associated with individual memberships, excepting voting rights and eligibility to serve on the Board.

2.5 Rights. Each Member shall have one vote in the affairs of the Cooperative requiring Member approval. Institutional Members shall designate one person to vote on their behalf. Members have the right to elect the Board, to attend meetings of the Board, to receive notice

of and attend Member meetings, to petition as described in these Bylaws, and to approve amendments to these Bylaws. The rights of membership shall apply only to Members in good standing. The right to vote in affairs of the Cooperative requiring Member approval shall be restricted to Members who have paid in full. All rights and responsibilities of the Members are subject to these Bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.

2.6 Responsibilities. Members shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these Bylaws and the policies and decisions of the Cooperative or the Board. A Member who upholds these responsibilities is considered a Member in good standing.

2.7 Termination of Membership. A Member may terminate membership voluntarily at any time by written notice, which may be electronically submitted, to the Cooperative. The Board may terminate membership involuntarily 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 these Bylaws or policies; actions that will impede the Cooperative from accomplishing its purposes, actions, or threats that adversely affect the interests of the Cooperative or its Members; willful obstruction of any lawful purpose or activity of the Cooperative; or breach of any contract with the Cooperative. If a Member fails to provide a current address to the Cooperative for a period of two (2) years or longer, the Member may be deemed to have voluntarily terminated such Member's membership.

2.8 Return of Equity. Upon the termination of a Member's membership for any reason, the Member's voting share shall be canceled and such Member shall no longer have voting rights in the Cooperative. The Cooperative shall purchase such Member's shares of capital stock in the Cooperative by tendering to the Member (or Member's heir or successors as applicable) the par value, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness owed by the Member to the Cooperative, on the condition the Cooperative has received replacement capital from new or continuing Members. The Board may establish additional conditions and terms for repurchase of Members' shares of stock, provided such conditions and terms apply to all Members.

2.9 Unclaimed Property. If a Member voluntarily or involuntarily terminates ownership in the Cooperative and fails to inform the Cooperative of the Member's mailing address, then the Member's equity and any patronage dividend allocated to the Member will be forfeited to the Cooperative. The right of a Member to unclaimed property held by the Cooperative is extinguished if: (i) the Cooperative mails notice that payment is available to the last known address of the Member shown on the records of the Cooperative; or (ii) if the address is unknown, the Cooperative publishes notice in its official publication.

2.10 Non-transferability. Membership rights and Member equity may not be transferred in any manner.

Article III: Member Meetings

3.1 Annual Meeting. An annual meeting of the Members 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 Cooperative, to elect Directors whose terms are ending, and to transact such other business as may properly come before the Members.

3.2 Special Meetings. Special meetings of the Members may be called by the Board, either by a majority vote of the Board or in response to a written petition of twenty percent (20%) of the Members. Notice of special meetings shall be issued to the 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. Such meeting must be held by thirty (30) days after the date of presentation of the petition. 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. The Secretary shall provide Members notice of the date, time, place, and purpose of each meeting of the Members by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its Members at least two (2) weeks before the date of the meeting, by mailing (by U.S. mail) or electronically transmitting to each Member at such Member's last known physical or electronic address not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting.

3.4 Voting. The Board may authorize voting by mail and/or by electronic means on all matters that the Members are entitled to vote. The Secretary shall provide Members with notice of the vote by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its Members at least two (2) weeks before the end of the voting period, or by mailing (by U.S. mail) or electronic transmission to each Member at such Member's last known physical or electronic address, not less than ten (10) days prior to the end of the voting 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.

3.5 Quorum. At any meeting of the Members, or for any vote of the Members, a quorum necessary for decision-making shall be ten percent (10%) of the first one hundred Members plus five percent (5%) of additional Members. A quorum may never be more than fifty (50) members nor less than five (5) members, or a majority of all members, whichever is smaller. Members represented by signed vote may be counted in computing a quorum only on those questions as to which the signed vote is taken.

ARTICLE IV: Board of Directors

4.1 Number, Eligibility, and Powers. The Board shall be composed of seven (7) Directors, elected by the Members annually as prescribed by the Board. Every Director shall be a Member in good standing of the Cooperative. Except for matters for which Member voting is required, 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 General Manager shall act as an *ex officio* Board member with no voting rights, and does not count as one of the seven Directors.

4.2 Terms and Elections. Elections shall occur annually in a manner prescribed by the Board. Directors shall serve a term of two (2) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. The Cooperative's Members may establish a policy regarding term limits as needed.

4.3 Vacancies. The Board may fill any vacancy in the Board by appointing another Member to serve on the Board until the next regular or special meeting of the Members. At such next regular or special meeting, the Members must elect a Member to serve the unexpired term of the vacant Director.

4.4 Removal. A Director may be removed by decision of two-thirds (2/3) of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies. Members may remove a Director at a Members' meeting for cause related to the duties of the position and fill the vacancy caused by such removal. Missing two Board meetings in a Director's term is grounds for immediate removal from the Board.

4.5 Board Meetings. The Board shall hold regular and special meetings at such time and place the Board determines appropriate. The Secretary shall provide notice to each Director of the time and place of all meetings sent by U.S. mail or communicated electronically. Meetings shall be open to all, unless the Board decides to go into executive session regarding confidential or proprietary matters, including: (i) discussions of personnel matters, compensation issues, labor negotiations, billing and credit information, or an issue that may tend to prejudice the reputation of an individual; (ii) discussions of threatened or pending litigation, issues subject to attorney-client privilege, or other legal information, the knowledge of which may have an adverse effect on the Cooperative's legal position; or (iii) discussions or disclosures of information that, if discussed in an open meeting, would result in impairment of the Cooperative's competitive or financial position, interfere with a business opportunity, or reveal proprietary information.

4.6 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken by written action affirmed by a majority of the Directors, which may be communicated electronically. The action is effective when affirmed by all of the Directors, unless a different effective date is provided in the action.

4.7 Quorum. A quorum of the Board shall consist of a majority of the Directors. A majority vote of a quorum of the Board shall decide all questions except where a greater vote is required by the Articles of Incorporation, these Bylaws, or law.

4.8 Conflicts of Interest. Directors shall have an ongoing obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Directors having such a conflict shall absent themselves from discussion and decision of the matter unless otherwise determined by the Board. No employee of the Cooperative may serve on the Board.

4.9 Officers. The Board shall elect a Chair, a Vice Chair, a Secretary, a Treasurer, and any additional officers the Board deems necessary for the effective conduct of Board business. Members may remove an officer at a Member meeting for cause related to the duties of the position of the officer and fill the vacancy caused by the removal.

4.10 Indemnification. The Cooperative shall indemnify and reimburse each present, past, and future Director for any claim or liability (including expenses and attorney's fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director. Such indemnification shall be made only if it is determined by the Board that the Director acted in good faith in the reasonable belief that his or her action was in the best interests of the Cooperative, or as otherwise allowed by law. This section does not apply to those proceedings in which the Director is adjudged liable for negligence or misconduct in the performance of duty. Such indemnification shall not be exclusive of other rights to which the Director may be entitled.

ARTICLE V: Patronage Dividends

5.1 Allocations to the Members. The Cooperative shall allocate and distribute to the Members the net profit 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.

5.2 Member Tax Consent. By obtaining or retaining membership in the Cooperative, 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 Cooperative.

ARTICLE VI: Dissolution

6.1 Asset Distribution. The Cooperative may be dissolved upon a two-thirds (2/3) vote of the Members. The vote may be taken at a regular or special meeting of the Members called and conducted in accordance with these Bylaws. Upon dissolution of the Cooperative, its assets shall be distributed in the order of preference stated in the Articles of Incorporation.

ARTICLE VII: Amendments

7.1 Amendments. An amendment to these Bylaws may be proposed by decision of the Board or by petition of at least twenty percent (20%) of the Members. These Bylaws may be amended at a regular or special Members' meeting if: (i) the notice of the meeting contains a summary statement of the proposed amendment; (ii) a quorum is registered as being present, or represented by mail or electronic vote; and (iii) the amendment is approved by a majority of the votes cast.

Adopted: November 15, 2018

Revised: January 19, 2019