

**BYLAWS
OF
DURANGO NATURAL FOODS CO-OP**

(Last Amended by Member-Owner Approval May 9, 2019)

Black = original language
Green = added language
~~Strikethrough~~ = deleted language
Blue = revised language

Article I
Organization

Section 1.1 - **Name and status.** The name of the organization is Durango Natural Foods **Inc., doing business as Durango Natural Foods** Co-op (referred to in these bylaws as "the Co-op"). The Co-op is a cooperative corporation under the laws of the State of Colorado.

Section 1.1 - Name and Status. The name of the organization is Durango Natural Foods Inc., doing business as Durango Natural Foods Co-op (referred to in these bylaws as "the Co-op"). The Co-op is a cooperative corporation under the laws of the State of Colorado.

Section 1.2 - **Purpose.** ~~As more fully stated in its amended and restated articles of incorporation, t~~The purpose for which the Co-op is organized is to acquire and distribute food products, **and** related goods, and services. The Co-op shall be operated ~~on~~ **as** a cooperative and **run nonprofit basis** for the primary and mutual benefit of its owners ~~as patrons of its goods and services~~ **and community members. The Co-op provides food and products related to our mission of locally, ethically, and organically sourced, as consistently as possible.**

Section 1.2 - Purpose. The purpose for which the Co-op is organized is to acquire and distribute food products, related goods, and services. The Co-op shall be operated as a cooperative and run for the primary and mutual benefit of its owners and community members. The Co-op provides food and products related to our mission of locally, ethically, and organically sourced, as consistently as possible.

Section 1.3 - **Cooperative principles.** The Co-op shall be operated in accordance with the cooperative principles ~~adopted by the 1995 General Assembly of the International Co-operative Alliance, such principles being:~~ (i) voluntary and open membership ~~without arbitrary discrimination;~~ (ii) democratic **member control governance;** (iii) **member economic participation by members;** (iv) autonomy and independence ~~of the Co-op;~~ (v) **providing education, and training, and information;** (vi) cooperation **among with other cooperatives;** ~~and~~ (vii) concern for **the** community.

Section 1.3 - Cooperative Principles. The Co-op shall be operated in accordance with the cooperative principles: (i) voluntary and open membership; (ii) democratic member

control; (iii) member economic participation; (iv) autonomy and independence; (v) education, training, and information; (vi) cooperation among cooperatives; (vii) concern for the community.

Section 1.4 - **Nondiscrimination & Inclusivity**. The Co-op shall not ~~arbitrarily~~ discriminate on the basis of race, nationality, religion, age, gender, disability, sexual orientation, **socioeconomic situation, citizenship,** or otherwise.

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Article II **Member-Ownership**

Section 2.1 - **Eligibility**. Ownership in the Co-op shall be voluntary and open to **all individuals** ~~any household or organization whose purpose is to purchase goods and services from the Co-op for its own use and who is~~ willing to accept the **Rights and Responsibilities** of ownership. ~~In the event that any doubts arise concerning eligibility within six months after the date of application, an application for ownership shall be subject to approval by the Board.~~

Section 2.1 - Eligibility. Ownership in the Co-op shall be voluntary and open to all individuals willing to accept the Rights and Responsibilities of ownership.

Section 2.2 - **Admission**. Applicants will be admitted to ownership upon submitting required information and purchasing one share of equity at the issuing price of twenty dollars. Member-Owners shall have the option of purchasing multiple shares at one time or contribute twenty dollars annually until the full equity amount of \$300 (or 15 shares) is achieved. The Member-Owner may have one additional **(non-voting)** adult household member, **or significant other,** included on their Member-Owner account. The Member-Owner is the voting member, and has one vote only in the affairs of the Co-op, regardless of the amount of ~~share or~~ equity the Member-Owner owns. ~~Each organization shall designate a person associated with the organization as its authorized representative.~~ On or before admission to ownership, each owner shall be provided a copy of these bylaws, ~~including the appended explanation of the patronage dividend consent provision.~~

Section 2.2 - Admission. Applicants will be admitted to ownership upon submitting required information and purchasing one share of equity at the issuing price of \$20. Member-Owners shall have the option of purchasing multiple shares at one time or contribute \$20 annually until the full equity amount of \$300 (or 15 shares) is achieved. The Member-Owner may have one additional (non-voting) adult household member, or significant other, included on their Member-Owner account. The Member-Owner is the voting member, and has one vote only in the affairs of the Co-op, regardless of the amount of equity the Member-Owner owns. On or before admission to ownership, each owner shall be provided a copy of these bylaws.

Section 2.3 - **Rights and responsibilities.** Except as otherwise provided in these bylaws, each ~~authorized representative~~ **Member-Owner** shall be entitled to participate in the governance of the Co-op as set forth in these bylaws ~~and, together with other registered members of the household or organization, to make purchases from the Co op on terms generally available to owners.~~ Each owner shall keep **equity current** in payments **current** of the share purchase requirement, ~~shall patronize the Co op on at least an occasional basis,~~ and shall notify the Co-op of any change to ~~the owner's~~ **their** name or ~~address~~ **contact information.**

Section 2.3 - Rights and Responsibilities. Except as otherwise provided in these bylaws, each Member-Owner shall be entitled to participate in the governance of the Co-op as set forth in these bylaws. Each owner shall keep equity payments current and shall notify the Co-op of any change to their name or contact information.

Section 2.4 - **Inactive status.** An owner who becomes delinquent by ~~fifteen~~ **thirty** days in meeting the ~~share~~ **equity investment** ~~purchase~~ requirement, ~~or who fails to patronize the Co op for one year,~~ shall be placed into inactive status. The participation rights of such owner shall then be suspended. An owner in inactive status may attain **active status** ~~good standing~~ **by making a current equity payment.** ~~share investment. only upon full payment of all arrearages or reestablishment of a patronage relationship with the Co op.~~ References in these bylaws to the rights and entitlements of owners shall be understood to refer only to owners in **active status** ~~good standing.~~

Section 2.4 - Inactive Status. An owner who becomes delinquent by thirty days in meeting the equity investment requirement shall be placed into inactive status. The participation rights of such owner shall then be suspended. An owner in inactive status may attain active status by making a current equity payment. References in these bylaws to the rights and entitlements of owners shall be understood to refer only to owners in active status.

Section 2.5 - **Access to information.** **Member-Owners** shall be provided reasonably adequate and timely information as to the operational and financial affairs of the Co-op as relates to the health and longevity of the organization and its mission. **Any proper request necessitating information from the Co-op's records of owners shall be accommodated by means other than direct access to such records. Member owners may, upon request, receive an annual report. Any additional requests for financial information shall be presented to the Board of Directors.** ~~An owner shall, upon request that is reasonable and made in good faith, be provided information concerning the operational and financial affairs of the Co op that is necessitated by and directly related to a proper purpose and that describes with reasonable particularity the information sought, subject to such reasonable restrictions or conditions as is determined by the Board of directors to be necessary to protect confidential or sensitive information. Any proper request necessitating information from the Co op's records of owners shall be accommodated by means other than direct access to such records.~~

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request necessitating information from the Co-op's records shall be accommodated by means other than direct access to such records. Member-Owners may, upon request, receive an annual report. Any additional requests for financial information shall be presented to the Board of Directors.

Section 2.6 - **Settlement of disputes.** In any dispute between the Co-op and any of its owners or former owners which cannot be resolved through informal dialogue it shall be the policy of the Co-op to use mediation or **binding arbitration** as determined by the Board of Directors. ~~Whereby an impartial mediator may facilitate negotiations between the parties and assist them in developing a mutually acceptable settlement. Neither party with a grievance against the other shall have recourse to litigation until the matter is submitted to mediation and attempted to be resolve in good faith.~~

Section 2.6 - Settlement of Disputes. In any dispute between the Co-op and any of its owners or former owners which cannot be resolved through informal dialogue, it shall be the policy of the Co-op to use mediation or binding arbitration as determined by the Board of Directors.

Section 2.7 - **Non-transferability.** Ownership rights and interests, including shares and deferred patronage dividends, may not be sold, assigned, or otherwise transferred.

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Section 2.8 - **Termination & Redemption.** Ownership may be terminated voluntarily by an owner at any time upon notice to the Co-op. Ownership may be terminated involuntarily by the Board for cause after the **said accused** owner is provided fair notice of the **issues charges** and 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 Cooperative or its member-owners, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Co-op.** ~~Upon termination of ownership, all rights and interests in the Co-op shall cease except for rights to redemption of capital pursuant to Articles VII and VIII of these bylaws.~~

Section 2.8 - Termination & Redemption. Ownership may be terminated voluntarily by an owner at any time upon notice to the Co-op. Ownership may be terminated involuntarily by the Board for cause after the said owner is provided fair notice of the issues and 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 Cooperative or its member-owners, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Co-op.

Section 3.1 - Participation. Meetings of owners shall be open to the public but only active Member-Owners shall have voting rights. The General Manager shall be required to be in attendance. The Board of Directors shall also be present and facilitate meetings in a way that serves all Member-Owners.

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Section 3.2† - Annual meeting. ~~The annual election is a separate event as outlined in section 4.3.~~ A regular annual meeting and celebration of owners shall be held each year to receive reports on the operations and finances of the Co-op in a manner appropriate to the resources available to the Co-op at that time.

Section 3.2 - Annual Meeting. The annual election is a separate event as outlined in section 4.3. A regular annual meeting and celebration of owners shall be held each year to receive reports on the operations and finances of the Co-op in a manner appropriate to the resources available to the Co-op at that time.

Section 3.34 - Notice of Annual Meeting. ~~The Co-op shall provide to each owner, not less than fifteen nor more than forty-five days before the date of the meeting, the following items: written notice of the time, place, and purpose or purposes of all meetings of owners, together with ballots when necessary, and the names of all candidates for director positions, and/or the exact text of each issue for decision, shall be provided to each owner not less than fifteen nor more than forty five days before the date of the meeting.~~ Any business conducted at a meeting other than that specified in the notice of the meeting shall be of an advisory nature only.

Section 3.3 - Notice of Annual Meeting. The Co-op shall provide to each owner, not less than fifteen nor more than forty-five days before the date of the meeting, the following items: written notice of the time, place, and purpose or purposes of all meetings of owners, together with ballots when necessary, and the names of all candidates for director positions, and/or the exact text of each issue for decision. Any business conducted at a meeting other than that specified in the notice of the meeting shall be of an advisory nature only.

Section 3.42 - Special meetings. Special meetings of owners may be called by the Board and shall be called by the Board or the President(s) within ~~ninety~~ thirty days after the receipt of one or more petitions signed by at least 200, or ten percent of owners, whichever is greater. ~~such petitions stating any proper issue to be brought before the meeting.~~ **Special meetings will be limited to twice per quarter.**

Section 3.4 - Special Meetings. Special meetings of owners may be called by the Board and shall be called by the Board or the President(s) within thirty days after the receipt of one or more petitions signed by at least 200, or ten percent of owners, whichever is greater. Special meetings will be limited to twice per quarter.

Section 3.35 - **Time and place.** The date, time and place of all meetings of owners shall be determined by the Board ~~or, in the event that the Board fails to so act, by the Secretary.~~ Meetings shall be held at a **time and place convenient to owners. In the event the Board fails to set a time and place for a special meeting, the petitioners of that meeting shall have the right to do so.**

Section 3.5 - Time and Place. The date, time, and place of all meetings of owners shall be determined by the Board. Meetings shall be held at a time and place convenient to owners. In the event the Board fails to set a time and place for a special meeting, the petitioners of that meeting shall have the right to do so.

Section 3.65 - **Voting Eligibility Record dates.** ~~Unless otherwise determined by the Board, o~~ **Only members** persons who **hold active status at the time of the meeting or voting period** are ~~owners at the close of business on the day immediately preceding the date of distribution of notices shall be entitled to notice and~~ **eligible** to vote. ~~with respect to the subject of such notice. After record dates have been determined the Co-op shall prepare a list of the names and addresses of owners in good standing that shall be available at the meeting and for the ten days thereafter for the purpose of resolving any questions that may arise about the legitimacy of votes cast.~~ **If the legitimacy of votes cast is called into question by a Member-Owner, the Member-Owner may petition the Co-op for a recount.**

Section 3.6 - Voting Eligibility. Only members who hold active status at the time of voting are eligible to vote. If the legitimacy of votes cast is called into question by a Member-Owner, the Member-Owner may petition the Co-op for a recount.

Section 3.76 **Quorum** - ~~The presence in person or by ballot at the opening of the meeting of thirty owners or five percent of owners, whichever is lesser, shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of owners. An action at meeting without a quorum may be validated only by subsequent ratification at a duly called and convened meeting of owners.~~ **At any meeting of the Member-Owners, or for any vote of the members, a quorum necessary for decision-making shall be 10% of the total number of Member-Owners or 100 Member-Owners, whichever is less.**

Section 3.7 - Quorum. At any meeting of the Member-Owners, or for any vote of the members, a quorum necessary for decision-making shall be 10% of the total number of Member-Owners or 100 member-owners, whichever is less.

Section 3.87 - **Vote of the Membership ing.** **Any changes to these bylaws or decisions presented to the membership shall be submitted to a vote of Member-Owners in accordance with section 10.3. Any change that affects the purpose of the organization as stated in Section 1.2 shall be submitted to a vote of Member-Owners.** Each owner shall have ~~one and only one vote on each matter presented to the membership. submitted to a vote of owners.~~ Voting by proxy shall not be permitted. Unless otherwise required by law or by these bylaws, issues shall be decided by a simple majority of votes cast except where one or more choices are to be made from several alternatives, in which case the alternative or alternatives receiving the most votes shall be considered approved. ~~Meetings of owners~~

~~shall be conducted generally in accordance with commonly accepted rules of parliamentary procedure.~~

Section 3.8 - Vote of the Membership. Any change to these bylaws or decisions presented to the membership shall be submitted to a vote of Member-Owners in accordance with section 10.3. Any change that affects the purpose of the organization as stated in Section 1.2 shall be submitted to a vote of Member-Owners. Each owner shall have one vote on each matter presented to the membership. Voting by proxy shall not be permitted. Unless otherwise required by law or by these bylaws, issues shall be decided by a simple majority of votes cast except where one or more choices are to be made from several alternatives, in which case the alternative or alternatives receiving the most votes shall be considered approved.

~~Section 3.98 - **Voting by written ballot.** All voting shall be **electronic with a** by written ballots **option.** submitted at the meeting of owners or to the Co-op's store within ten days thereafter. Ballots shall be submitted in a sealed plain envelope inside another envelope bearing the owner's name and in conformity with instructions contained in the notice. Casting of a written ballot shall be equivalent to presence in person at a meeting, and ballots shall be counted together with votes cast at the meeting.~~

Section 3.9 - Voting by Ballot. All voting shall be electronic with a written ballot option.

~~Section 3.109 - **Issues submitted by owners.** Notices of a scheduled meeting of owners shall include any proper issue submitted by one or more petitions of at least 200 **or ten seven** percent of owners, **whichever is greater.** Petitions must be received by the Co-op not less than sixty days before the date of the meeting at which they are to be presented to a vote of owners.~~

Section 3.10 - Issues Submitted by Owners. Notices of a scheduled meeting of owners shall include any proper issue submitted by one or more petitions of at least 200 or ten percent of owners, whichever is greater. Petitions must be received by the Co-op not less than sixty days before the date of the meeting at which they are to be presented to a vote of owners.

Article IV
Board of Directors

~~Section 4.1 - **Powers and duties.** Except **for as to** matters reserved to **Member-Owners** by law or by these bylaws, the business and affairs of the Co-op shall be managed under the direction and supervision of the Board of Directors (~~sometimes referred to in these bylaws as "the Board"~~). Such powers shall reside exclusively in the Board as a deliberative body; they may reside in individual directors only to the extent explicitly ~~so~~ delegated by the Board. The duties of the Board shall include, but **are** not ~~be~~ limited to: **assuring the purpose and mission of the Co-op are properly carried out; ensuring a qualified General Manager is obtained and leading operations; overseeing supervising and monitoring the performance of the General Manager** operations and finances of the Co-op; **and** establishing policies to govern **the General Manager's limitations.** ~~operational decisions; engaging a general manager and monitoring and~~~~

~~evaluating his or her performance, and assuring that the purpose and mission of the Co-op are properly carried out.~~

Section 4.1 - Powers and Duties. Except for matters reserved to Member-Owners by law or by these bylaws, the business and affairs of the Co-op shall be managed under the direction and supervision of the Board of Directors ("the Board"). Such powers shall reside exclusively in the Board as a deliberative body; they may reside in individual directors only to the extent explicitly delegated by the Board. The duties of the Board shall include, but are not limited to: assuring the purpose and mission of the Co-op are properly carried out; ensuring a qualified General Manager is obtained and leading operations; supervising and monitoring the performance of the General Manager and finances of the Co-op; and establishing policies to govern the General Manager's limitations.

Section 4.2 - **Number and qualifications.** The Board shall consist of **no less than seven and no more than nine** individuals, **as determined by the seated Board prior to Annual Board Elections.** To be qualified as a director, a person shall not be in competition with the Co-op, nor be associated with interests adverse to the Co-op, nor have any overriding conflict of interest with the Co-op, nor otherwise be disposed to act in a manner that is detrimental to the interests of the Co-op or its owners. No employee or member of the immediate family of an employee shall be eligible to serve as a director. No more than one member of any household or any immediate family shall serve as a director at any one time.

Section 4.2 - Number and Qualifications. The Board shall consist of no less than seven and no more than nine individuals, as determined by the seated Board prior to Annual Board Elections. To be qualified as a director, a person shall not be in competition with the Co-op, nor be associated with interests adverse to the Co-op, nor have any overriding conflict of interest with the Co-op, nor otherwise be disposed to act in a manner that is detrimental to the interests of the Co-op or its owners. No employee or member of the immediate family of an employee shall be eligible to serve as a director. No more than one member of any household or any immediate family shall serve as a director at any one time.

Section 4.3 - **Nominations, Annual election and terms.** **The annual election shall occur in the second quarter.** Directors **shall be elected by the membership, or** may be **appointed** ~~nominated~~ by the Board **in the case of vacancy until the expiration of the appointed seat.** ~~by a nominating committee, or by petitions signed by at least twenty five owners and submitted to the Co-op at least sixty days before the date of the annual meeting. Directors shall be elected by owners. Periodically as may be necessary~~ **either** ~~specific one, two, or three-year terms in order to assure staggered succession that two or three terms expire in each year. At other times directors shall be elected for terms of three years.~~ Candidates receiving the highest number of votes shall be given the longest available terms. Directors shall hold office until their successors are elected or until their **positions** ~~offices~~ are sooner terminated in accordance with these bylaws.

Section 4.3 - Annual Election and Terms. The annual election shall occur in the second quarter. Directors shall be elected by the membership, or may be appointed by the Board in the case of vacancy until the expiration of the appointed seat. Directors shall be

elected for either two- or three-year terms in order to assure staggered succession. Candidates receiving the highest number of votes shall be given the longest available terms. Directors shall hold office until their successors are elected or until their positions are sooner terminated in accordance with these bylaws.

Section 4.4 - **Compensation**. In addition to any discounts on merchandise, directors may be compensated only as approved **by the Member-Owners in accordance with Section 3.7.** ~~at a meeting of owners.~~ (INSERT SPACE)
Section 4.5 Reimbursements. Directors may be reimbursed for reasonable expenses incurred in connection with the performance of authorized business, **as detailed in the Board budget, or by approval of the GM if the expense is not in the budget.** ~~of the Co-op.~~

Section 4.4 - Compensation. In addition to any discounts on merchandise, Directors may be compensated only as approved by the Member-Owners in accordance with Section 3.7.

Section 4.5 Reimbursements. Directors may be reimbursed for reasonable expenses incurred in connection with the performance of authorized business, as detailed in the Board budget, or by approval of the GM if the expense is not in the budget.

Section 4.65 - **Standards of conduct**. Directors shall be responsible at all times for discharging their duties in good faith, in a manner that they reasonably believe to be in the best interests of the Co-op and with the care that ~~an ordinarily prudent person in a like position would use under similar circumstances.~~ **member vested in the long-term health of the organization would exercise. Ethical conduct includes confidentiality, honesty, integrity, participation, and cooperation as defined by the Board of Directors' Code of Conduct Agreement (Policy C4).**

Section 4.6 - Standards of Conduct. Directors shall be responsible at all times for discharging their duties in good faith, in a manner that they reasonably believe to be in the best interests of the Co-op and with the care that a member vested in the long-term health of the organization would exercise. Ethical conduct includes confidentiality, honesty, integrity, participation, and cooperation as defined by the Board of Directors' Code of Conduct Agreement (Policy C4).

Section 4.76 - **Conflicts of Interest**. Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest, **either direct or indirect, in any matter under consideration by the Board or by a committee exercising any authority of the Board through signature upon the conflict of interest form.** ~~either direct or indirect, in any matter under consideration by the Board or by a committee exercising any authority of the Board, and s~~Such interest shall be made a matter of record in the minutes of the meeting. A director having such an interest shall be permitted to make a statement **and answer BOD questions** with regard to the matter but shall not be permitted to participate in the discussion or **have a deciding vote** ~~decision of the matter.~~

Section 4.7 - Conflicts of Interest. Directors shall be under an affirmative duty to disclose their actual or potential conflicts of interest either direct or indirect, in any

matter under consideration by the Board or by a committee exercising any authority of the Board through signature upon the conflict of interest form. Such interest shall be made a matter of record in the minutes of the meeting. A director having such an interest shall be permitted to make a statement and answer BOD questions with regard to the matter but shall not be permitted to participate in the discussion or have a deciding vote.

~~Section 4.87 - **Indemnification.** The Cooperative shall indemnify and reimburse each present, past and future Director or Officer for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director or Officer, to the full extent allowed by law, except to the extent the Director acted in bad faith. The Co op shall indemnify its directors, officers, employees, or agents as required under Colorado law, and may indemnify such persons as permitted under Colorado law. 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. Any indemnification payments or advances shall be reported to members not later than the next scheduled meeting of members.~~

Section 4.8 - Indemnification. The Cooperative shall indemnify and reimburse each present, past and future Director or Officer for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director or Officer, to the full extent allowed by law, except to the extent the Director or Officer acted in bad faith.

~~Section 4.98 - **Committees.** The Board may appoint special or standing committees to advise the Board or to exercise such authority as the Board shall designate. Such committees shall include at least one director, be chaired by a Director, operate under a charter, and report the progress of outlined duties.~~ The appointment of any committee shall not relieve the Board of its responsibilities in the oversight of the Co-op.

Section 4.9 - Committees. The Board may appoint special or standing committees to advise the Board or to exercise such authority as the Board shall designate. Such committees shall be chaired by a Director, operate under a charter, and report the progress of outlined duties. The appointment of any committee shall not relieve the Board of its responsibilities in the oversight of the Co-op.

~~Section 4.910 - **Resignation and removal.** The term of office of a director may be terminated prior to its expiration in any of the following ways: (i) voluntarily by a director upon notice to the Board, in writing with a thirty day notice or more. Director discount is terminated upon receipt of resignation. Secretary, (ii) falling out of good membership standing (see Article II Ownership) automatically upon termination of ownership or placement into inactive status, subject to reinstatement upon timely re attainment of good standing, (iii) for f Failure to meet basic Board expectations as outlined in policy C4 qualifications as determined by a vote of directors who are in good standing and are not subject to removal at that time, and (iv) By a vote of owners, initiated by petitions pursuant to Sections 3.2 and 3.9, directors may be removed with or without cause by vote of owners, which vote, if for cause, may be~~

~~initiated by petitions pursuant to sections 3.2 and 3.9 of these bylaws. Any removal for cause must be at a meeting called in part for the purpose, and the accused director must be accorded fair notice of the charges and an opportunity to respond in person or in writing. (v) A director who is absent from **three** ~~two~~ consecutive Board meetings or **six** ~~three~~ meetings in any one-year period, unless excused by the Board for cause shown by the director, shall be presumed to have resigned. ~~(II) falling out of good membership standing (see Article II Ownership).~~ **Director discount is terminated upon receipt of resignation.**~~

Section 4.10 - Resignation and Removal. The term of office of a director may be terminated prior to its expiration in any of the following ways: (i) voluntarily by a director upon notice to the Board, in writing with a thirty-day notice or more. (ii) Falling out of good membership standing (see Article II Ownership). (iii) Failure to meet basic Board expectations as outlined in policy C4 as determined by a vote of directors who are in good standing and are not subject to removal at that time. (iv) By a vote of owners, initiated by petitions pursuant to Sections 3.2 and 3.9, directors may be removed with or without cause. Any removal for cause must be at a meeting called in part for the purpose, and the accused director must be accorded fair notice of the charges and an opportunity to respond in person or in writing. (v) A director who is absent from three consecutive Board meetings or six meetings in any one-year period, unless excused by the Board for cause shown by the director, shall be presumed to have resigned. Director discount is terminated upon receipt of resignation.

~~Section 4.10¹ - **Vacancies.** Any vacancy among directors occurring between annual **elections** ~~meetings~~ may be filled by **appointment of** the Board , **by a quorum vote, until the upcoming annual election, at which time owners will elect new directors. If less than a quorum of the BOD is present** ~~until the next annual or special meeting of owners, at which time owners shall elect a director to fill the unexpired term of the vacant director's position.~~~~

Section 4.11 - Vacancies. Any vacancy among Directors occurring between annual elections may be filled by appointment of the Board, by a quorum vote, until the upcoming annual election, at which time owners shall elect new Directors.

Article V Meetings of the Board

~~Section 5.1 - **Meetings.** The Board of Directors may determine the times and places of its meetings. Special meetings may be called by the President **(s)** and shall be called by the Secretary upon request of **or** any **three Board member with the support of any two** directors. Meetings of the Board shall be held no less frequently than once in each **two** ~~time~~ **per** month ~~period~~.~~

Section 5.1 - Meetings. The Board of Directors may determine the times and places of its meetings. Special meetings may be called by the President(s) or any Board member with the support of any two directors. Meetings of the Board shall be held no less frequently than one time per month.

~~Section 5.2 - **Notice.** Meetings called by resolution of the Board shall require no notice, it being the responsibility of absent directors to~~

~~inquire as to the time of further scheduled meetings. (SECOND) Special meetings shall require written or oral notice to all directors. Written Member-Owners shall receive written notice of special meetings in a timely manner. nNotice shall be delivered at least three one days before the date of the meeting to all Board members and oral notices shall be given in person or by a telecommunications device at least forty eight hours days before the time of the meeting. (FIRST) Notices of regular meetings of the Board meetings shall also be posted in a timely manner and in a conspicuous place in the Co-op's store, but the inadvertent failure to do so shall not affect the validity of the meeting.~~

Section 5.2 - Notice. Notices of regular Board meetings shall be posted in a timely manner and in a conspicuous place in the Co-op. Special meetings shall require written notice to all Directors. Member-Owners shall receive written notice of special meetings in a timely manner. Notice shall be delivered at least one day before the date of the meeting to all Board members.

~~Section 5.3 **Waiver of notice.** Any notice of a meeting required under these bylaws may be waived in writing at any time before or after the meeting for which notice is required. A person who attends a meeting other than for the sole purpose of objecting to the adequacy of the notice shall be deemed to have waived any objection to the notice.~~

NOTE: Section - Waiver of Notice deleted completely as it was deemed unnecessary and contradictory to Section - Notice

~~Section 5.43 - **Quorum and voting.** The presence in person of a majority of director's seats shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. Except as otherwise provided in these bylaws, dDecisions at meetings of the Board shall be made by majority voting. Meetings shall be conducted generally in accordance with commonly accepted rules of parliamentary procedure.~~

Section 5.3 - Quorum and Voting. The presence of a majority of Director's seats shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. Decisions at meetings of the Board shall be made by majority voting. Meetings shall be conducted in accordance with commonly accepted rules of parliamentary procedure.

~~Section 5.54 - **Referendum.** Any action of potentially serious consequence, including the sale of the Co-op, taken by the Board shall be referred to a meeting and a vote of Member-Owners for approval or disapproval if demanded within ten days of such action by any three directors. Such meeting shall be called by the Secretary within twenty days of such demand.~~

Section 5.4 - Referendum. Any action of potentially serious consequence, including the sale of the Co-op, taken by the Board shall be referred to a meeting and a vote of Member-Owners for approval or disapproval.

~~Section 5.65 - **Action without a meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting,~~

only if a written consent to the action is signed by a **quorum of all** directors and filed with the minutes of meetings.

Section 5.5 - Action without a Meeting. Any action required or permitted at a meeting of the Board may be taken without a meeting, only if written consent to the action is signed by a quorum of Directors and filed with the minutes of meetings.

~~Section 5.76 - **Open meetings.** Meetings of the Board and all committees shall be open to all member-Owners, except unless the Board decides to go into executive session regarding confidential or proprietary 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 Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential that sessions of a meeting may be closed as to matters of a confidential or sensitive nature.~~

Section 5.6 - Open Meetings. Meetings shall be open to all Member-Owners unless the Board decides to go into executive session regarding confidential or proprietary 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 Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.

Article VI Officers

~~Section 6.1 - **Officer Designations and qualifications.** The principal executive officers of the Co-op shall consist of President, Vice President, Secretary and Treasurer. The Board may designate other officers or assistant officers. Upon a majority vote, the board reserves the right to designate a co-presidency in lieu of having a Vice President.~~

Section 6.1 - Officer Designations. The executive officers of the Co-op shall consist of President, Vice President, Secretary, and Treasurer. The Board may designate other officers or assistant officers. Upon a majority vote, the board reserves the right to designate a co-presidency in lieu of having a Vice President.

~~Section 6.2 - **Election, terms and removal.** Officers shall be elected by the Board at its first meeting following elections the annual meeting of owners. Officers shall serve for terms of one year or until election of their successors. Officers may be removed and replaced by a majority vote of the Board. at any time whenever the best interests of the Co-op would thereby be served.~~

Section 6.2 - Election, Terms and Removal. Officers shall be elected by the Board at its first meeting following elections. Officers shall serve for terms of one year or until election of their successors. Officers may be removed and replaced by a majority vote of the Board.

~~Section 6.3 - **Duties.** Officers of the Board are authorized to sign formal documents on behalf of the Co-op. In addition to signing or~~

~~attesting to formal documents on behalf of the Co-op as authorized by the Board, Officers~~ **duties shall include, but are not limited to:** ~~shall have the following duties and such additional duties as determined by the Board:~~

(a) The President shall be responsible for coordinating the activities of the Board, assuring the orderly conduct of all meetings, maintaining effective communication with the general manager, and **shall may work with the General Manager to produce the annual meeting report** ~~present a report of operations at the annual meeting of owners.~~

(a.1) A Co-Presidency structure shall share the same duties of the president as determined by both parties.

(b) The Vice President shall be responsible for performing the duties of the President in ~~his or her~~ **their** absence or disability and assisting the President in the performance of ~~his or her~~ **their** duties.

(c) The Secretary shall be responsible for the recording and keeping of adequate minutes of all **official** meetings of the Board and of owners, **maintaining orderly record keeping of official Board documents, and documents required under these bylaws**, ~~overseeing the issuance of notices required under these bylaws, attending to the correspondence of the Board, and authenticating records of the Co-op.~~

(d) The Treasurer shall ~~oversee the maintenance of financial records, issuance of financial reports and the filing of all required reports and returns, and shall present a financial report at the annual meeting of owners.~~ **initiate the annual Board budget review process and update accordingly. The Treasurer shall chair the finance committee, and oversee the maintenance of financial records, which includes, but is not limited to digital filing of: quarterly profit and loss statements, the annual Board budget, and the financial report for the annual member meeting.**

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a) The President shall be responsible for coordinating the activities of the Board, assuring the orderly conduct of all meetings, maintaining effective communication with the general manager, and may work with the General Manager to produce the annual meeting report.

(a.1) A Co-Presidency structure shall share the same duties of the president as determined by both parties.

b) The Vice President shall be responsible for performing the duties of the President in their absence or disability and assist the President in the performance of their duties.

c) The Secretary shall be responsible for the recording and keeping of adequate minutes of all official meetings of the Board and of owners, maintaining orderly

record keeping of official Board documents, and documents required under these bylaws.

d) The Treasurer shall initiate the annual board budget review process and update accordingly. The Treasurer shall chair the finance committee, and oversee the maintenance of financial records, which includes, but is not limited to digital filing of: quarterly profit and loss statements, the annual board budget, and the financial report for the annual member meeting.

Article VII Capital Shares

Section 7.1 - **Issuance and terms.** To evidence capital funds provided by owners, the Co-op shall issue shares. Shares may be issued only to persons eligible for and admitted to ownership in the Co-op (as per sections 2.1 and 2.2). ~~Shares shall be issued only upon full payment of no less than their issuing price, such payment including amounts previously paid by lifetime members.~~ Ownership of shares shall be evidenced in the books and records of the Co-op, and no certificates are required to be issued. The share purchase requirement shall be subject to increase for the reasonable capital needs of the Co-op. Shares shall be entitled to no dividend or interest on contributed capital, and may not be pledged as collateral for a loan.

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Section 7.2 - **Redemption.** Upon request following termination of ownership, ~~shares shall be redeemed when replacement capital is provided by other owners. § shares shall be redeemable at the to the amount of contributed required equity, less a reasonable processing fee, lesser of their carrying value on the books of the Co op or their net book value less a reasonable processing fee, if any, as determined by the Board. Redemption proceeds shall be subject to offset by amounts due and payable to the Co op by the owner. Any and all debts owed to the Co-op by the member requesting redemption must be resolved in order to receive equity redemption.~~ No redemption shall be made if it would render the Co-op unable to pay its debts as they become due in the usual course of business or cause the assets to be less than the liabilities. ~~Reapplications for ownership after full or partial redemption shall be subject to full repayment of redemption proceeds. A patronage dividend may be waived in whole or in part by vote of the Board, in the best interest of the owners.~~

Section 7.2 - Redemption. Upon request following termination of ownership, shares shall be redeemable to the amount of contributed required equity, less a reasonable processing fee, as determined by the Board. Any and all debts owed to the Co-op by the member requesting redemption must be resolved in order to receive equity redemption.

No redemption shall be made if it would render the Co-op unable to pay its debts as they become due in the usual course of business or cause the assets to be less than the liabilities. A patronage dividend may be waived in whole or in part by vote of the Board, in the best interest of the owners.

Article VIII
Patronage Dividends

Section 8.1 - **Distribution obligation.** ~~Only by a motion of the Board, the realized net earnings of the Co-op attributable to the patronage of owners shall 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 in compliance with cooperative principles, and with state and federal income tax law. If the Co-op's operations encompass more than one allocation unit, such units shall be netted into a single allocation unit unless otherwise determined at a meeting of owners.~~

Section 8.1 - Distribution. Only by a motion of the Board, the net earnings of the Co-op shall be distributed among owners as patronage dividends in proportion to their patronage and in compliance with cooperative principles, and with state and federal income tax law.

Section 8.2 - **Reductions.** Net earnings may be reduced by such reasonable reserves for necessary business purposes as is determined by the Board. Any distributable net earnings of such a nominal amount as not to justify the expenses of distribution may, ~~as determined by the Board,~~ be excluded from distribution, **as determined by the Board.** A patronage dividend ~~to which owners are entitled~~ may be waived in whole or in part by vote of **the Board, in the best interest of the** owners. Net earnings may not otherwise be reduced.

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Section 8.3 - **Consent of owners.** By obtaining or retaining ownership in the Co-op, each owner shall thereby consent to take into account, in the manner and to the extent required by Section 1385 of the Internal Revenue Code, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received. **See appendix for further explanation.**

Section 8.3 - Consent of Owners. By obtaining or retaining ownership in the Co-op, each owner shall thereby consent to take into account, in the manner and to the extent required by Section 1385 of the Internal Revenue Code, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received. See appendix for further explanation.

Section 8.4 - **Deferred amounts.** Payment of a portion of patronage dividends, not to exceed eighty percent of the allocation, may be deferred as determined by the Board, **as stated in section 8.1.** Such amounts shall be credited to revolving capital accounts in the names of recipient owners. They shall accrue no dividend or interest on equity capital, and may not be pledged as collateral for a loan. They may be redeemed at no more than their carrying value on the books of the Co-op when determined by the Board to be no longer needed for capital purposes. At that time they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts. Deferred amounts may also be redeemed under compelling circumstances as determined by the Board. They shall be subject at all times to being offset by amounts otherwise due and payable to the Co-op.

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Section 8.5 - **Net losses.** In the event the Co-op shall incur a net operating loss in any fiscal year, the portion of such loss attributable to the patronage of owners shall be carried forward to offset income of the same character in subsequent years, and any remaining loss shall be carried back and forward to offset income of the same character in prior and subsequent years as required or permitted under federal income tax law.

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Article IX
Fiscal and Miscellaneous Matters

Section 9.1 - **Fiscal year.** The fiscal year of the Co-op shall coincide with the calendar year.

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Section 9.2 - **Communication by electronic means.** ~~Unless otherwise required by these bylaws, a~~Any notice, consent, ballot, petition, or other document ~~required or permitted by these bylaws may~~ **will** be delivered by electronic means, provided that, in the case where such

communication ~~expressly or implicitly requires~~ **explicitly requires** the signature of the person submitting the communication, means are in place to reasonably assure the authenticity of the signature.

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Section 9.3 - **Disposition of unclaimed funds.** Any funds held in the name of an owner, including ~~stock and~~ patronage dividends, which have been made payable by the Co-op and have remained unclaimed by the owner for three years shall be forfeited to the Co-op. ~~thirty days after notification of such proposed forfeiture has been mailed to the owner's last known address of record on the books of the Co op and such funds have not been claimed.~~

Section 9.3 - Disposition of Unclaimed Funds. Any funds held in the name of an owner, including patronage dividends, which have been made payable by the Co-op and have remained unclaimed by the owner for three years shall be forfeited to the Co-op.

Section 9.4 - **Liquidation.** Upon liquidation and dissolution of the Co-op, its assets shall be distributed in the following manner and order: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming deferred patronage dividends, if any, which, if they cannot be paid in full, shall be paid in the order of the oldest outstanding amounts and on a pro rata basis among all amounts for each fiscal year; (iii) by redeeming shares at their carrying value on the books of the Co-op which, if they cannot be paid in full, shall be paid on a pro rata basis among all outstanding amounts; and (iv) by distributing any remaining assets among current and former owners in proportion to their patronage during the ~~five~~ **three** years immediately preceding the date of dissolution, or, if so determined by a vote of owners, to one or more cooperative or non profit organizations that **will** ~~may best~~ further the ~~purposes~~ **Ends** and Mission **Statements** of the Co-op, **in accordance with these bylaws.**

Section 9.4 - Liquidation. Upon liquidation and dissolution of the Co-op, its assets shall be distributed in the following manner and order: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming deferred patronage dividends, if any, which, if they cannot be paid in full, shall be paid in the order of the oldest outstanding amounts and on a pro-rata basis among all amounts for each fiscal year; (iii) by redeeming shares at their carrying value on the books of the Co-op which, if they cannot be paid in full, shall be paid on a pro-rata basis among all outstanding amounts; and (iv) by distributing any remaining assets among current and former owners in proportion to their patronage during the three years immediately preceding the date of dissolution, or, if so determined by a vote of owners, to one or more cooperative or non profit organizations that will further the Ends and Mission Statements of the Co-op, in accordance with these bylaws.

Section 10.1 - **Interpretation.** The Board of Directors shall have the power, with or without advice of legal counsel, to interpret these bylaws, apply them to particular circumstances, and adopt policies in furtherance of them, provided that all such actions are reasonable and consistent with these bylaws.

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Section 10.2 - **Severability.** In the event that any provision of these bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these bylaws.

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Section 10.3 - **Amendment.** These bylaws may be amended ~~or repealed~~ only **by a vote of Member-Owners in accordance with section 3.8,** ~~at a meeting of owners,~~ provided that the proposed amendments are stated or fully described in the notice **at least 30 days in advance of the voting date and shall be conducted in the store and online. An informational meeting of Member-Owners is optional, at the discretion of the Board, Member-Owners, or both.** ~~of the meeting at which the amendments are to be adopted.~~

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Appendix:

EXPLANATION OF PATRONAGE
DIVIDEND CONSENT PROVISION

In the event that the Co-op Board of Directors votes to issue dividends to patrons, ¶the Internal Revenue Code generally requires each person receiving a patronage dividend to include the amount of such distribution in his or her gross income in the taxable year in which it is received. Under bylaw section 8.3, mere acceptance or retention of ownership in the Co-op constitutes consent to such inclusion in taxable income, including the portion of the patronage dividends that is deferred by the Co-op for its capital needs.

The Co-op has been advised by legal counsel, however, that the general rule for inclusion in income of patronage dividends is subject to an exception that is applicable to consumer cooperatives. Under that exception, a patronage dividend is not required to be included in gross income if the owner's purchases from the Co-op relate to "personal, living or family items." The patronage dividend would thus be taxable to an owner only if his or her purchases related to the operation of a trade or business or other income-producing activities. In effect, the consent provision is of no significance to owners of the Co-op, except as to organizational owners and except where the purchases of owners who are natural persons are for business or income-producing purposes.

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