

**BYLAWS
OF
RIVERS COOPERATIVE MARKETS**

Article I: Organization

- 1.1 **Name.** The name of the organization shall be Rivers Cooperative Markets (henceforth the “Cooperative”).
- 1.2 **Ownership and Purpose.** The Cooperative shall be owned by its members and shall operate in accord with the International Cooperative Alliance’s Statement on the Cooperative Identity for the mutual benefit of its members (henceforth “member-owners”).

Article II: Membership

- 2.1 **Eligibility.** Membership in the Cooperative shall be open to any individual, household, or legal entity who is in accord with its purposes and is willing to accept the responsibilities of membership.
- 2.2 **Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.
- 2.3 **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 (henceforth the “Board”). A legal entity applying for membership must name a single individual as an authorized representative.
- 2.4 **Rights.** Member-owners have the right to elect the Cooperative’s Board, 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-owner shall have one vote and no more on all matters submitted to member-owners. The rights of member-owners shall apply only to active member-owners in good standing. All rights and responsibilities of member-owners are subject to applicable state law, the bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.
- 2.5 **Responsibilities.** Member-owners 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. Member-owners shall also patronize the Cooperative. A member-owner who upholds these responsibilities is considered an active member in good standing.
- 2.6 **Termination of Membership.** A member-owner may terminate their membership voluntarily at any time by written notice to the Cooperative. Membership may be terminated involuntarily by the Board for cause after the member-owner 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 Cooperative’s 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 member-owners, willful obstruction of any lawful purpose or activity of the Cooperative, breach of any contract with the Cooperative, or failure to patronize the business for more than 3 years.

- 2.7 **Return of Equity.** Equity may be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer needed by the Cooperative.
- 2.8 **Unclaimed Equity.** If a member-owner voluntarily or involuntarily terminates membership in the Cooperative, and fails to inform the Cooperative of their mailing address, then the equity and patronage dividend amount allocated to that member-owner will be retained by the Cooperative or donated to a non-profit to the extent authorized by state law.
- 2.9 **Non transferability.** Membership rights and member equity may not be transferred in any manner except at the discretion of the Board

Article III: Member Meetings and Decision Making

- 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 governance, operations and finances, to review issues that vitally affect the Cooperative, and to transact such other business as may properly come before the meeting.
- 3.2 **Special Meetings.** The Board may call special meetings of the membership. The Board shall call a special meeting if presented with a written petition stating a proper purpose and signed by twenty percent (20%) of active members. Notice of special meetings shall be issued to member-owners. 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.
- 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 Cooperative and communicated to members not less than fifteen (15) days prior to the date of the meeting.
- 3.4 **Voting.** Voting on all matters that member-owners are entitled to vote upon will be accomplished through paper or electronic ballots, or both, as authorized by the Board. Unless otherwise specified in these bylaws, notice of the vote shall be posted in a conspicuous place at the Cooperative and communicated by written notice delivered to member-owners' postal or electronic address not less than fifteen (15) days 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 member-owners voting thereon. Proxy voting is not allowed.
- 3.5 **Quorum.** At any meeting of the member-owners, or for any vote of the members, a quorum necessary for decision-making shall be ten percent (10%) of the total number of member-owners or one hundred (100) member-owners, whichever is less.

ARTICLE IV: Board of Directors

- 4.1 **Powers and Duties.** The initial Board shall be composed of between seven (7) to eighteen (18) Directors. One year thereafter, the Board shall be reduced to between seven (7) to fifteen (15) Directors; one year thereafter, the Board shall be reduced to between seven (7) to twelve (12) Directors; and one year thereafter, the Board shall be reduced to between seven (7) to nine (9) Directors. Except for matters for which member-owner voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring executive management, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is articulated and carried out.
- 4.2 **Eligibility.** Directors must be member-owners of the Cooperative in good standing. Employees and relatives of employees may not serve as Directors. “Relative” is defined as spouse, domestic partner, child, parent, sibling, grandparent, grandchild, aunt, uncle, first cousin, or corresponding in-law or “step” relation. A person with a conflict of interest so continuing and pervasive that they are unable to effectively fulfill the responsibilities of a director with the Cooperative shall not be qualified to serve as a director.
- 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 approximately one-third (1/3) of the Board is elected each year. No Director may serve more than three (3) consecutive terms.
- 4.4 **Vacancies.** Any vacancy among Directors may be filled by appointment by the Board. A Director so appointed shall be appointed until the end of the pertinent term.
- 4.5 **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. A Director may be removed by decision of the member-owners in accordance with the petition and voting provisions of these bylaws.
- 4.6 **Meetings.** The Board shall hold regular and special meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least five (5) days in advance, unless the Board agrees to a shorter notice. The Board will provide reasonable notice of all board meetings to member-owners. Attendance at any meeting constitutes waiver of notice of that meeting. 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.
- 4.7 **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 all of the Directors. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action, and shall be filed with the minutes of the proceedings of the Board.

- 4.8 **Quorum.** A majority of the current Directors shall constitute a quorum and no decisions shall be made without a quorum.
- 4.9 **Conflicts of Interest.** Directors shall be under an obligation to disclose their actual or potential conflicts of interest. Directors having such a conflict shall absent themselves from discussion and decision of any related matter under consideration by the Board unless otherwise determined by the Board. Directors may not do business with the Cooperative except in the same manner as other member-owners generally do business with the Cooperative or under other conditions that are procedurally defined to avoid preferential treatment.
- 4.10 **Officers.** The Board will designate officers as necessary for the effective conduct of Board business, consistent with any requirements of state law. All officers must be member-owners of the Cooperative.
- 4.11 **Indemnification.** The Cooperative shall indemnify and reimburse each present, past and future Director 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, to the full extent allowed by law, except to the extent the Director acted in bad faith.

ARTICLE V: Patronage Dividends

- 5.1 **Allocations to member-owners.** The Cooperative shall allocate and distribute to member-owners 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.
- .2 **Consent of member-owners.** By obtaining or retaining membership in the Cooperative, each member-owner 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. Each member-owner also agrees that if their patronage dividend is not cashed within ninety (90) days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to make a contribution in the name of that member to support other organizations aligned with the Cooperative's purpose in a manner as may be directed by the Board.

ARTICLE VI: Dissolution and Liquidation

- 6.1 **Asset Distribution.** The Cooperative may be dissolved or liquidated upon a decision of the Board and a two-thirds (2/3) vote of the member-owners who participate in the vote. Upon dissolution of the Cooperative, 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 any equity accounts which, if they cannot be paid in full, shall be paid on a pro rata basis; (iii) by distributing any remaining assets in a way that furthers the Cooperative's mission, as determined by the Board.

ARTICLE VII: Bylaws

- 7.1 **Amendments.** These bylaws may be amended or repealed in whole or in part by a majority of the member-owners who participate in the vote. An amendment may be proposed by decision of the Board or by petition of at least twenty percent (20%) of active member-owners. 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.