

**BYLAWS
OF
BUFFALO MOUNTAIN FOOD CO-OP**

Revised: April 28, 2019

Article I: Organization

1. **Name.** The name of the organization shall be the Buffalo Mountain Food Co-op, Inc. (henceforth “The Co-op”). The Co-op is a cooperative formed under the Vermont General Corporation Law.
2. **Ownership and Purpose.** The Co-op shall be owned by its members and shall operate for the mutual benefit of its members.

Article II: Membership

- 2.1 **Eligibility.** Membership in the Co-op shall be open to any individual 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”).
- 2.4 **Rights.** Members have the right to elect the Co-op’s Board, to attend meetings of the Board, to receive notice of and participate in membership meetings, to review minutes of general membership and board meetings, to petition as described in these bylaws, to approve amendments to these bylaws, and to vote on all matters presented to the general membership. Each member shall have one vote and no more on all matters submitted to members. The rights of members shall be understood to apply only to active members in good standing. All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time, and to policies and decisions of the Co-op or the Board.
- 2.5 **Responsibilities.** Members shall keep current in equity investments due to the Co-op, shall keep the Co-op informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Co-op or the Board. A member who upholds these responsibilities is considered an active member in good standing.
- 2.6 **Termination of Membership.** A member may terminate his or her membership voluntarily at any time by written notice to the Co-op.

- 2.7 **Return of Equity.** Equity shall be returned upon termination of membership in the Co-op, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary.
- 2.8 [Repealed]
- 2.9 **Non transferability:** Membership rights and member equity may not be transferred in any manner.

Article III: Member Meetings

- 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 operations and finances, to review issues that vitally affect the Co-op, and to transact such other business as may properly come before the meeting.
- 3.2 **Special Meetings.** Special meetings of the membership may be called by the Board, either by decision of the Board or in response to a written petition of 5% of the active members. Notice of special meetings shall be issued to 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. 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 if quorum cannot be attained.
- 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 Co-op and communicated to members not less than four (4) weeks prior to the date of the meeting.
- 3.4 **Voting.** Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Co-op and communicated to members not less than four (4) weeks 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 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 5% of the total number of active members in good standing.

ARTICLE IV: Board of Directors

- 4.1 **Directors.** The Board will consist of at least seven directors and no more than nine, including one Board position reserved for the staff of the Co-op. Board members must be

members of the Co-op, in good standing, who are not associated with any interests adverse to the Co-op.

- 4.2 **Powers and Duties.** Except for matters for which member voting is required, the Board shall have full power to govern the Co-op, including, but not limited to, determining management structure, delegating responsibility to management, evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of the Co-op is carried out.
- 4.3 **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-half (1/2) of the Board is elected each year. No Director may serve more than three (3) consecutive terms.
- 4.4 **Officers and Elections.** The Board will have a President, Vice-President, Secretary, and Treasurer. Officers will be elected from the Board at the first Board meeting following the election of Directors. The Board will designate officers according to the requirements of state law and as necessary for the effective conduct of Board business.
- 4.5 **Vacancies.** Any vacancy among Directors may be filled by appointment by the Board. A Director so appointed shall complete the pertinent term.
- 4.6 **Termination.** Board members may terminate their Board membership voluntarily. Board membership will terminate automatically upon expiration of the two-year term or if the member misses three consecutive or five total meetings within one year. A Director may be removed by unanimous decision of the remaining Directors for conduct contrary to the best interests of the Co-op or failure to follow Board policies.
- 4.7 **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 ten (10) days in advance. The time and place of all meetings shall be posted in a conspicuous place at the Co-op not more than one day after calling of the meeting. Meetings shall be open to all members 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 Co-op's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential. Board members may participate by remote connection either voice or video as agreed by the board.
- 4.8 **Decision-Making Process.** The Board shall attempt to make all decisions by consensus. If consensus can't be reached, the Board may act by majority vote.

- 4.9 **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. A written action includes communication by email, text message, and remote participation.
- 4.10 **Quorum.** The quorum of the Board will be a majority of the active Directors. No decisions will be made without a quorum.
- 4.11 **Conflicts of Interest.** Directors shall be under an 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.
- 4.12 **Indemnification.** The Co-op 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. 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.

ARTICLE V: Dissolution

- 5.1 **Asset Distribution:** The Co-op may be dissolved upon a decision of the Board and a two-thirds (2/3) vote of the members who participate in the vote. Upon 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 any equity accounts which, if they cannot be paid in full, shall be paid in equal proportions to their investment; (iii) by distributing any remaining assets in a way that furthers the Co-op's mission, as determined by the Board.

ARTICLE VI: By-laws

- 6.1 **Amendments.** These by-laws may be amended by a majority of the members who participate in the vote. An amendment may be proposed by decision of the Board or by petition of at least five percent (5%) of active members. 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.

Article VII: Dividends

- 7.1 There shall be set aside annually not less than ten percent of the net profits of the corporation for a reserve fund until there is accumulated a fund of not less than 50 percent of the paid up capital stock.
- 7.2 The remainder of the earnings, or any part thereof, shall be distributed by a uniform dividend upon the amount of purchases or sales through the corporation by the shareholders, or the amount of raw material furnished to, or business done through, the corporation by the shareholders; and such profits or earnings shall be distributed as often as once in 12 months.
- 7.3 **Consent to Take Patronage Distributions Into Income.** Each person who hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. § 1388), and which are received by the member from this cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a) in the taxable year in which the written notices of allocation are received by the member.