

**BYLAWS**  
**OF**  
**Winooski Valley Cooperative Market, Inc.**  
**(d.b.a. Plainfield Co-op)**

**A Cooperative Organized Under**  
**Vermont Statutes**

***BYLAW I: ORGANIZATION***

**Section 1.01. Name-** The name of the organization is the Winooski Valley Cooperative Market, Inc., (referred to in these bylaws as "this cooperative"). This cooperative does business primarily under the registered trade name: "Plainfield Co-op". This cooperative is a cooperative formed under the Vermont General Corporation Law.

**Section 1.02. Location-** This cooperative's principal offices are located at, PO Box 266, 153 Main Street, Plainfield, Vermont 05667-0266.

**Section 1.03. Purpose-** The purpose of this cooperative, as stated in its Articles of Association is: to establish and maintain a not-for-profit cooperative market for the distribution of food and other goods; to provide an outlet for local producers and growers; to operate the market in a manner and on a scale conducive to the regeneration of a sense of community among the dispersed rural population; and to work with the existing and emerging federations of cooperatives in realizing our shared goals.

**Section 1.04 - Duration-** This cooperative will remain in existence until such time as it is dissolved by the general membership.

***BYLAW II: MEMBERSHIP***

**Section 2.01. Eligibility for Membership.**

- (a) A person may become a member of this cooperative by:
  - 1. completing a membership form; and
  - 2. contributing a fair share of the capital needs of this cooperative by purchasing one or more member equity shares each year until the number of shares comprising a full share has been purchased.
- (b) Another cooperative may be a member of this cooperative upon approval of the Board and shall have one vote. The Board shall determine the rights, fees, and benefits of membership for cooperative organizations, if any.

**Section 2.02. Termination of Membership.** Membership in this cooperative may be terminated by:

- (a) the member by giving notice to the Cooperative; or
- (b) the member no longer meeting the membership eligibility requirements describe herein; or

(c) the member having died

**Section 2.03. Membership Rights.** Each member shall be entitled to:

- (a) receive benefits and entitlements on an equitable basis with other members.
- (b) participate in the governance of this cooperative as set forth in these bylaws.
- (c) contribute services for discounts and other entitlements as determined by the Board

References in these bylaws to the rights of members refer only to members in good standing.

**Section 2.04. Membership Responsibilities.** To maintain member status in good standing, members shall:

- (a) Keep current on required equity share purchases.
- (b) Keep this cooperative informed of any changes in name or current address. Members who wish to receive notifications by email shall keep the cooperative informed of any changes of email address.

A member who becomes delinquent in meeting his or her equity share purchase obligation shall no longer be a member in good standing. His or her participation rights shall then be suspended. A member whose participation rights have been suspended shall be reinstated upon payment of all past due equity share payments.

**Section 2.05. Equity Shares.** To evidence capital funds provided by members, this cooperative shall issue, or record in its books and records, its common stock, called member shares. Member shares may only be issued to, or recorded to the accounts of, persons eligible for and admitted to membership in this cooperative. No share shall be issued or recorded until it has been fully paid for in an amount that equals or exceeds its par value. The purchase price of member shares shall be established by the Board of Directors. The price shall never exceed this cooperative's 2012 membership dues, adjusted for inflation.

**Section 2.06. Full Share.** A full share is a complete set of equity shares purchased by a member. The number of equity shares comprising a full share shall be established by the Board of Directors.

**Section 2.07. Return of Equity.** This cooperative shall redeem all shares owned by a member upon termination of membership and request of the member, provided that the Board of Directors has determined that the equity is no longer necessary to the fiscal integrity of this cooperative. For a period not to exceed one year after the return of a member's equity shares, the readmission to membership of that former member shall be conditional upon the contribution by that member of the entire amount of the equity share account theretofore paid by this cooperative, or such other reasonable conditions as may be imposed by the Board of Directors.

**Section 2.08. Unclaimed Property.** If a person's membership is terminated, as provided in

Section 2.02, and said member or said member's estate does not request a return of equity within the following three years, the amounts in the member's account will revert to this cooperative as permanent non-allocated capital.

**Section 2.09. Non-transferability.** Membership rights and member equity may not be transferred.

### ***BYLAW III: MEETINGS OF MEMBERS***

**Section 3.01. Annual Meetings.** The annual meeting of the members of this cooperative shall be held at such time and place as shall be determined by the Board of Directors. The notice of the meeting shall state the date, place and hour of the meeting and the agenda. The Board of Directors will establish an agenda for the annual meeting. Other items may be placed on the agenda by any general member by notifying the Board of Directors at least 25 days before the meeting, or by agreement of at least one-third of the general members present at the meeting. The Secretary shall give notice of annual members' meetings in the manner prescribed herein. The officers of this cooperative must submit reports to the members at the annual meeting covering the business of this cooperative for the previous year that show the condition of this cooperative as of the close of the last fiscal quarter. At the annual meeting, the members shall elect directors of this cooperative for the terms of office and in the manner prescribed by the Bylaws and transact such other business as may properly come before the meeting.

**Section 3.02. Special Member Meetings.** Special meetings of the members of this cooperative shall be held at the place specified in the notice of the meeting. The notice shall state the time, place and purpose of the special members' meeting. A special meeting of the members may be called by the Board of Directors or upon the written petition of at least 10% of the members submitted to the President of this cooperative. The President shall give notice of a special members' meeting in the manner prescribed herein. In the event a special members' meeting is called by the written petition of members, the notice of the special members' meeting shall be given within fifteen (15) days from and after the date of the presentation of the members' petition, and the special members' meeting must be held by thirty (30) days after the date of the presentation of the members' petition. All necessary business of this cooperative may be decided at a special meeting. Items may be placed on the agenda in the same manner for the annual meeting.

**Section 3.03. Notice.** Notice of all annual and special members' meetings shall be given by mailing (either via postal mail or email) the notice of the meeting to each member personally at the member's last known post office or email address at least ten days before the meeting. Written notices shall be deemed delivered when:

- (a) Deposited in the mail, with first class postage, with name and address as it appears in the records of this cooperative; or
- (b) Sent via email to the email address as it appears in the records of this cooperative.

**Section 3.04. Waiver.** The right of any member to object to failure of notice is waived if he or she either fails to provide his or her current address to this cooperative; or if he or she attends the meeting in question without specifically objecting that the meeting was unlawfully convened.

**Section 3.05. Quorum.** At any annual or special members' meeting, a quorum necessary for the transaction of business shall be five percent (5%) of the total number of members.

**Section 3.06. Voting.** Each member shall be entitled to only one vote. A member's vote at a members' meeting must be in person. Voting by proxy and cumulative voting is not permitted. The membership will try to achieve consensus on all issues, except the election of Board members, at annual or special members' meetings. If eighty percent of the general members present determine that consensus on a particular issue is not possible, that issue may then be decided by a vote of two-thirds of the general members present.

**Section 3.07. General Powers.** The general members shall also have the sole power to dissolve this cooperative and establish a plan of distribution of its assets; to merge with another food cooperative; to sell substantially all of the assets of this cooperative; and to sell and/or acquire real property.

### ***BYLAW IV: Directors***

**Section 4.01. Number, Qualifications and Terms of Office.** The business and affairs of this cooperative will be governed by the Board of Directors consisting of between five (5) and seven (7) directors. Each director must be a member in good standing of this cooperative. Collective managers or any person applying to be a Collective Manager of this cooperative may not be directors, except for any employee who is a director at the time these Bylaws are enacted may serve out the term limits. All directors shall serve three-year terms, except as otherwise provided in these bylaws (4.01, 4.14) and until their successors are duly elected and qualified. Board members may serve for a maximum of two consecutive three year terms plus any portion of a term. At the 2010 annual meeting the members shall elect two directors to serve three year terms, to expire in 2013 and one to fill a four year term, to expire in 2014. Thereafter all terms shall be three years, with three directors elected in 2012, two in 2013 and two in 2014 and thenceforth in the same sequence. Board members shall recuse themselves from any matter coming before the board in which they have a personal interest and/or which would personally benefit the board member.

**Section 4.02. General Powers.** The Board of Directors shall govern the business and affairs of this cooperative and shall exercise all of the powers of this cooperative, except those powers that are conferred upon or reserved to the members by law, the Articles of Incorporation, or these Bylaws. The Board of Directors shall adopt such policies, rules, and regulations and shall take such actions as it may deem advisable, provided that the Board of Directors does not act in a manner inconsistent with law, the Articles of Incorporation, or these Bylaws.

**Section 4.03. Financial Matters.** The Board of Directors shall have the power to select one or more banks or other financial institutions to act as depositories of the funds of this cooperative, and to determine the person or persons who shall have authority to sign checks and other instruments.

**Section 4.04. Election of Directors.** Directors shall be elected by ballot at the annual meetings. Members in good standing may submit written nominations for director at any time to the

Secretary or in person at annual meetings.

The nominees receiving the highest number of votes cast shall be elected and shall take office 45 days after the Annual Meeting.

**Section 4.05. Board Officers Election Meeting.** Within 60 days after each annual members' meeting, the Board of Directors shall meet for the purpose of electing officers of this cooperative and for the transaction of such other business as shall come before the meeting. This meeting of the Board of Directors shall be held at such time and place as may be fixed by the Board of Directors.

**Section 4.06. Regular Meeting.** Board of Directors meetings will be held monthly.

**Section 4.07. Special Meetings.** Special meetings may be called by an officer of the Board of Directors when the need arise. Notice of special meetings may be given either in person, by telephone or by email.

**Section 4.08. Notice of Meetings.** Notice of each annual, regular or special meeting of the Board of Directors, including agenda, shall be posted at this cooperative by conspicuous notice at least one week prior to the meeting.

**Section 4.09. Attendance by the General Membership.** General members may participate in the discussion at Board of Directors meetings, but may not vote on the issues presented or present agenda items at the meeting (although they may add items to the agenda provided those items are posted one week in advance).

**Section 4.10. Closed meetings.** The Board of Directors may hold closed meetings only when necessary for confidentiality in matters dealing with pending litigation, personnel matters, or real estate negotiations.

**Section 4.11. Quorum; Board Action.** Two-thirds of the members of Board of Directors shall constitute a quorum for the transaction of business except that, when a vacancy or vacancies exist, two-thirds of the remaining directors shall constitute a quorum. The Board of Directors shall take action by consensus of the directors present at a duly held meeting.

**Section 4.12. Action Without a Meeting.** In an emergency situation, where a quorum of the Board of Directors cannot be obtained, the President or Vice President may take whatever action is necessary, and will inform the Board of Directors as soon as possible, and no later than two days after the action, of the nature of the emergency, the efforts taken to contact the Board of Directors, and the action taken.

**Section 4.13. Vacancies.** If a director's position is vacant, the Board of Directors may appoint a member of this cooperative to fill the director's position until the next annual or special members' meeting. At the next annual or special members' meeting, the members shall elect a director to fill the unexpired term of the vacant director's position.

**Section 4.14. Termination.** Board members may terminate their membership voluntarily. Board membership will terminate automatically upon the termination of Co-op membership. Board membership will terminate automatically at the expiration of each member's term, or if the member misses three successive or five total

meetings within one year. Board membership will terminate automatically upon applying for employment as a Collective Manager or being hired as a Collective Manager at this cooperative. Also, any individual director may be removed from office for cause by a vote of a majority of the members entitled to vote at any annual or special meeting at which said removal of directors is considered. For purposes of this Section, "for cause" shall include misfeasance or malfeasance. In case any director is so removed at an annual or special meeting, a successor director shall be elected at the same meeting.

**Section 4.15. Compensation.** Board members will not receive monetary compensation for their services. However, Board members will receive a working member discount.

**Section 4.16. Conflicts of Interest.** Board members may do business with this cooperative on the same terms as anyone else. Board members are required to disclose any potential conflicts of interest.

### ***BYLAW V: OFFICERS***

**Section 5.01. Officers.** The officers of this cooperative shall be a President, a Vice-President, a Secretary and a Treasurer, who shall be elected in the manner as provided in Section 4.05 of these Bylaws.

**Section 5.02. President.** The President shall see that all orders and resolutions of the Board of Directors are carried into effect and shall preside at all meetings of the members and directors. The President shall be the official representative of this cooperative to all outside associations or organizations of which this cooperative is a member, unless another person is appointed by the President or other action is taken by the Board of Directors. The President shall have no authority to bind this cooperative without the express authority of either the Board of Directors or the general membership. The President and the Treasurer must co-sign all promissory notes.

**Section 5.03. Vice-President.** The Vice-President shall have powers and perform duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President. In the event of the absence or disability of the President, the Vice-President shall perform the duties and exercise the powers of the President.

**Section 5.04. Secretary.** Subject to the discretion of the Board of Directors, the Secretary shall record all votes at and keep minutes of all the meetings; and record all proceedings of the meetings in the minutes book of this cooperative. These minutes and a listing of board committee members will be available for member review in an official location at this cooperative. The Secretary shall be responsible for giving proper notice of meetings of the members and of the Board of Directors. The Secretary shall perform such other duties as may, from time to time, be prescribed by the Board of Directors or by the President.

**Section 5.05. Treasurer.** Subject to the discretion of the Board of Directors, the Treasurer shall be the custodian of all funds, securities and properties of this cooperative and shall perform such other duties with respect to the finances of this cooperative as may be

prescribed by the Board of Directors or by the President. Aspects of this function may be delegated by the board to management with oversight by the treasurer or the board. The President and the Treasurer must co-sign all promissory notes.

#### ***BYLAW VI: INDEMNIFICATION AND INSURANCE***

**Section 6.01. Indemnification.** This cooperative shall indemnify each person who is or was a director, officer, manager, employee or agent of this cooperative, and any person serving at the request of this cooperative as a director, officer, manager, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred to the extent to which such directors, officers, managers, employees or agents of this cooperative may be indemnified under the law of Vermont.

**Section 6.02. Insurance.** This cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, manager, employee, or agent of this cooperative against liability asserted against and incurred by the person in the person's capacity as a director, officer, manager, employee or agent, or arising from the person's status as a director, officer, manager, employee, or agent of the cooperative.

#### ***BYLAW VII: FINANCE***

**Section 7.01. Financial Operation.** This cooperative operates on a cooperative basis and allocates earnings and losses to members on the basis of the business done with such members. Thus, in accordance with section 1381 of the Internal Revenue Code, this cooperative may declare a patronage dividend to be distributed among the members in proportion to the total amount of purchases made by each such patron during the preceding fiscal year.

**Section 7.02. Reserves.** At the end of each fiscal year the Board of Directors may, when necessary to preserve or to enhance the fiscal soundness of this cooperative, deduct a sum from net earnings and, after payment of any income taxes due thereon, set aside such sum as a reserve.

**Section 7.03. Patronage Dividend.** After the deduction of any reserve funds pursuant to section 7.02, this cooperative shall distribute the remainder of net earnings as patronage dividends in accordance with section 7.01. Distribution of patronage dividends shall be in the form of either cash or shares, at the discretion of the Board of Directors, provided that at least 20 percent of such distributions shall be in cash or cash equivalents. Distributions of patronage dividends shall include a written notice (either via postal mail or email) of allocation showing the amount of distribution, the manner of distribution, and the amount distributed in cash or cash equivalent, and shares.

**Section 7.04. 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 (either via postal mail or email) of allocation (as defined in section 1388 of the Internal Revenue Code), and which patronage dividends 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 section 1385(a) of the Internal Revenue Code in the taxable year in which the written notice of allocation is received by the member.

### ***BYLAW VIII: FISCAL YEAR***

**Section 8.01.Fiscal Year.** The Board of Directors may by resolution adopt a fiscal year of this cooperative from time to time.

### ***BYLAW IX: AMENDMENTS***

**Section 9.01.Bylaws.** These Bylaws may be amended by vote of the general membership following the procedures outlined in section 3.06 herein.

**Section 9.02.Articles of Association.** The Articles of Association may be amended by vote of the general membership following the procedures outlined in section 3.06 herein.