



BY LAWS

IDEAL GREEN MARKET COOPERATIVE

ARTICLE I

The name of this cooperative is:

IDEAL GREEN MARKET COOPERATIVE

ARTICLE II PURPOSE

Our mission is to provide access to local, sustainable and healthy food and products.

ARTICLE III MEMBERSHIP

Section 1. Qualifications for membership

Any individual, household, firm, cooperative, nonprofit corporation or other corporation may, upon approval or pursuant to the authorization of the Board of Directors, become a member of this cooperative pursuant to terms established by the Board of Directors. Each transaction between this cooperative and each member shall be subject to and shall include as part of its terms each provision of the Articles of Incorporation of this cooperative and these Bylaws, whether or not the same be expressly referred to in said transaction.

Section 2. One Class of Members

There shall be one class of members in this cooperative. Each membership has one vote. Each corporate or household member shall designate one person to vote on its behalf.

Section 3. Admission of New Members.

(a) Application and Investment Requirement. Application for membership shall be made in writing on a form provided by this cooperative. Pending approval by the Board of Directors of the membership application, each prospective member shall purchase one (1) share of Class A stock and such number of shares of Class B stock as may be determined from time to time by the Board of Directors.

(b) Approval of Application. Each application shall be acted on by the Board of Directors at the first meeting of the Board following receipt of the application. The Board of Directors shall have full authority to approve or reject a membership application based on policies established and approved by the Board.



(c) Information. Each new member shall receive a copy of the Articles of Incorporation and Bylaws of this cooperative.

Section 4. Termination of Membership.

Membership may be terminated voluntarily by a member upon notice to this cooperative. Membership shall terminate automatically if a member dies, ceases to exist, or fails to patronize this cooperative for a period of one (1) year. Membership of a member may also be terminated by the Board of Directors at its discretion whenever the Board of Directors by resolution finds that the member has:

- (a) intentionally or repeatedly violated any provision of the Articles of Incorporation, Bylaws or Board policies of this cooperative;
- (b) breached any contract with this cooperative;
- (c) willfully obstructed any lawful purpose or activity of this cooperative; or
- (d) remained indebted to this cooperative for ninety (90) days after such indebtedness becomes payable.

Members who are to be terminated by resolution of the Board of Directors shall be given notice of the proposed termination and provided an opportunity to address the Board at a regularly scheduled board meeting, if requested by the member prior to the date of termination.

Section 5. Actions Upon Termination.

When a member is terminated, this cooperative shall either:

- (a) purchase the Class A stock of the member by tendering to the member, or to the member's heirs or successors, the par value or the book value of the member's Class A stock, whichever is less, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due this cooperative; or
- (b) purchase the Class A stock of the member by tendering to the member, or to the member's heirs or successors, Class B stock, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due this cooperative. Regardless of the reasons for termination, repurchase of this cooperative's stock from a terminated member shall be subject to the same terms and limitations governing all stock repurchases, including availability of replacement capital and the discretion of the Board of Directors to determine terms of repurchase. Upon termination of membership, the member shall thereafter have no voting rights in this cooperative. No action taken hereunder shall impair the obligations or liabilities of either party under any contract with this cooperative which may be terminated only as provided therein.



Section 6. Restrictions on Withdrawals and Transfers of Membership

Upon a member's withdrawal from membership in this cooperative, the stock of the member can be transferred only to this cooperative and only upon approval of the Board of Directors. The stock of this cooperative is not transferable under any other circumstances. This cooperative shall repurchase a terminating member's stock when this cooperative has received replacement capital from new or continuing members.

Section 7. Civil Rights.

The cooperative shall comply with Title I of the Civil Rights Act OF1964, whereby no person on the grounds of race, color, sex, religion, age, national origin, marital status, or sexual preference be excluded from participation in, be denied the basic benefit of equal opportunity, or be subjected to discrimination under any program or activity conducted by the cooperative.

ARTICLE IV MEMBERSHIP MEETINGS

Section 1. Annual Meeting

An annual meeting of the members will be held in the second quarter of each year. Notice of such meeting will be sent to each member in writing or by electronic means at least 15 days prior to the meeting.

Section 2. Special Membership meetings

Special meetings of the membership will be called by the Board President, Executive Committee, or $\frac{1}{4}$ of the voting members. Either written or electronic notice of such meeting of the members will be given at least 15 days prior to the meeting. Such notice will specify the place, date, time and purpose for the meeting. Only the items stated in the purpose will be discussed at the special meeting.

Section 3. Quorum

At any meeting of the membership quorum will be 10% of the voting members or 50 members when the membership exceeds a total of 500 for action of the membership to take place.

Section 4. Voting



Unless otherwise stated in the Articles of Incorporation, or in these by-laws, all questions shall be decided by a vote of a majority of the members voting.

Each member is entitled to one vote. Voting by proxy is not permitted.

If a membership is held by a partnership, corporation, or other legal entity the member shall designate in writing the person who shall vote on behalf of the member. That designation shall remain in effect until written or electronic notice of a properly authorized change in the designated voter shall be received by the cooperative.

ARTICLE V BOARD OF DIRECTORS

Section 1. Number and Qualification

The cooperative shall have a board of directors of five (5) to nine (9) members. Each director elected shall be a member of this cooperative in good standing.

No person shall be eligible to be a director if that person is in competition with, or is affiliated with any enterprise that is in competition with, the cooperative. If a majority of the board of directors of the cooperative finds at any time following a hearing that any director is so engaged or affiliated that person shall immediately cease to be a director.

Section 2. Election of Directors

At the first meeting of the members of the cooperative, directors shall be elected to succeed the incorporating directors. Three (3) directors shall be elected for one (1) year; three (3) directors for two (2) years; and three (3) directors for three (3) years. At each annual meeting thereafter, new directors shall be elected, for a term of three (3) years each.

No director after having served for two (2) consecutive full terms shall be eligible to succeed himself or herself, but after a lapse of two (2) years shall again be eligible.

All directors shall be elected by a show of hands of membership, unless 10% of total membership calls for ballot vote, and the nominee(s) receiving the greatest number of votes shall be elected.

Section 3. Vacancies

Whenever a vacancy occurs, other than from the expiration of a term of office, the remaining directors shall appoint a member to fill the vacancy until the next regular meeting of the



members of the cooperative. If the term of the vacating director does not expire at that regular meeting, a special election shall be held to select a director to fill the year(s) remaining in that term.

Section 4. Removal

Any director may be removed from the board, with or without cause, by a majority vote of the board members of the cooperative. In the event of death, resignation, or removal of director(s) his/her/their successor(s) will be selected by the remaining members of the board and will serve until the next member meeting of the cooperative. Any board member may resign from the board at any time giving written notice to the board, the president, or the secretary.

Section 5. Action Taken Without a Meeting

The Board of Directors will have the right to take action in the absence of a meeting, which they could otherwise rightly take at a regular meeting, by first obtaining written or electronic approval of all directors. Any action so taken will have the same effect as though taken at a meeting. This action will be included in the next meeting minutes.

Section 6. Absences

Any director properly notified and not properly excused from attending a meeting will after 3 consecutive absences be replaced by appointment by the board.

Section 7. Duties of the Board of Directors

It will be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and cooperative affairs and to present a statement thereof to the members at the annual meeting or upon written request by one quarter (¼) of the membership.
- (b) Supervise all officers, agents, and managers of the cooperative and to see that their duties are properly performed. Shall have authority and control of the cooperative and shall set all policies and practices not inconsistent with law, the articles of incorporation or bylaws for the management of the business and the guidance of the members, officers, employees and agents of the cooperative.
- (c) Procure and maintain adequate liability and hazard insurance if necessary.



- (d) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (e) Approve all leases, contracts, mortgages, notes or other instruments of the cooperative.
- (f) Employ, define duties, fix compensation, and dismiss a manager with or without cause at any time. The board shall authorize the employment of such other employees, agents, and counsel as it from time to time deems necessary or advisable in the interest of the cooperative. The manager shall have charge of the business of the cooperative under the direction of the Board of Directors.
- (g) Install and maintain an accounting system which shall be adequate to meet the requirements of the business and shall require proper records to be kept of all business transactions.
- (h) Provide for an annual independent audit by outside auditors, the results of which must be presented and approved by the membership at the annual meeting.

ARTICLE VI BOARD MEETINGS

Section 1. Regular Meetings

Regular board meetings of the board of directors will be held at such place and hour as may be fixed from time to time by resolution of the board. Notice need not be given to the directors. Board meetings will be held in the service area of the cooperative.

Section 2. Special Meetings

A special board meeting of the directors shall be held whenever called by the president or by a majority of the directors. Only business specified in the written notice shall be transacted at a special meeting. Each call for a special meeting shall be in writing or electronically, shall be signed by the person or persons calling the meeting, shall be addressed and delivered to the secretary, and shall state the time and place for such meeting.

Section 3. Quorum

A majority of the board of directors shall constitute quorum at any meeting of the board.

Section 4. Compensation



The cooperative shall reimburse directors for all reasonable expenses incurred in carrying out their duties and responsibilities. The compensation, if any, of the board of directors shall be determined by the members of the cooperative at any annual or special meeting of the cooperative. No member of the board of directors, or member of the immediate family of any board member shall occupy any position in the cooperative on regular salary.

ARTICLE VII
NOMINATION AND ELECTION OF BOARD OF DIRECTORS

Section 1. Nomination

Nomination for election to the Board of Directors shall be made by a committee or from the floor at the annual meeting. The nominating committee will consist of a chairperson, who will be a member of the Board of Directors, and two or more voting members of the cooperative. The nominating committee will be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment will be announced at each annual meeting.

Section 2. Election

Election of board members will take place at the annual meeting per Article V, Section 2, paragraph 3.

ARTICLE VIII
BOARD OF DIRECTORS OFFICERS

Section 1. Officers and their duties

The officers of the cooperative will be:

President – who shall (1) preside over all meetings of the cooperative and of the board of directors; (2) call special meetings of the board of directors; (3) appoint such committees as the board of directors may deem advisable for the proper conduct of the cooperative; and (4) perform all acts and duties usually performed by a presiding officer.

Vice President – in the absence or disability of the president, the vice president shall perform the duties of the president, provided, however, that in case of death, resignation, or disability of the president, the board of directors may declare the office vacant and elect any eligible person as president for the remainder of that term.



Secretary – shall keep a complete record of all meetings of the cooperative and of the board of directors and shall have general charge and supervision of the books and records of the cooperative. The secretary shall sign papers pertaining to the cooperative as authorized or directed by the board of directors. The secretary shall serve all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. The secretary shall keep the corporate seal, if any, and all books of blank certificates, complete and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal; shall keep complete stock ownership records; shall make all reports required by law; and shall perform such other duties as may be required by the cooperative or the board of directors. Upon the election of a successor, the secretary shall turn over all books and other property belonging to the cooperative.

Treasurer – is responsible for assuring all financial matters are in compliance with the pertinent policies and procedures set forth by the board. Said policies and procedures will include:

- (a) Appropriate controls for cash received and disbursed;
- (b) Appropriate controls where prudent, for segregation of duties, or at a minimum active oversight, such as purchasing and payables.

At the expiration of his/her term of office, the treasurer shall promptly turn over to his/her successor all monies, property, books, records, and documents pertaining to his/her office or belonging to the cooperative.

Section 2. Election of Officers

The board of directors shall meet within seven (7) days after the first election and within seven (7) days after each annual election and shall elect by ballot a president, vice president, secretary, and treasurer, each of whom shall hold office until the election and qualification of a successor, unless earlier removed by death, resignation, or for cause.

Section 3. Term of office

The term of office shall be for one (1) year.

Section 4. Resignation and Removal

Any officers may be removed from the office with or without cause by the Board. Any officer may resign at any time giving notice to the Board, the President or the Secretary. Such



resignation shall take effect on the date of receipt of such notice or at any later time specified and acceptance shall not be necessary to make it effective.

Section 5. Vacancies

A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy will serve for the remainder of the term of the officer they replace.

ARTICLE IX COMMITTEES

The Board of Directors will create committees as needed. The committee chair appointed at any created committee shall serve until the next annual meeting.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the cooperative will at all time, during reasonable business hours, be subject to inspection by any member.

ARTICLE XI OPERATION AT COST AND MEMBERS' CAPITAL

Section 1. Operation at Cost

The association shall at all times be operated on a cooperative service-at-cost basis for the mutual benefit of its member patrons.

Section 2. Per Unit Retains

In order to induce patronage and to assure that this cooperative will operate on a service-at-cost basis in all its transactions with its members, the cooperative is obligated to account on a patronage basis to all member patrons on an annual basis for all amounts received from business conducted with members on a patronage basis, over and above the cost of providing such services, making reasonable additions to reserves, and redeeming capital credits. Such allocation shall be on the basis of the volume (dollar value) of product purchased from the cooperative.

The cooperative is hereby obligated to pay all such amounts to the patrons in cash or by credits to a capital account allocable to each member patron.



Section 3. Margin Retains

Each member also agrees to provide capital in such amounts as determined by the board of directors based on the volume (dollar value) of the product purchased from the cooperative. Such margin retains shall be allocated to a capital credit account not credited to individual members. This account of non-allocated capital reserves shall be used in behalf of the cooperative and its members in accordance with lawful purposes.

Section 4. Dividends

No dividends shall be paid on any capital credits.

Section 5. Records and Documentation

The books and records of the association shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member.

Section 6. Capital Stock and Member Contributions

Membership cards shall be issued, in lieu of certificates for Class A stock, when the required stock payment is current and the membership application has been received.

Class B stock received as patronage capital returns, redemptions or dividends shall be evidenced by written notice of allocation mailed to the members. Certificates of stock shall be issued when such stock is paid in full.

Each certificate shall state the class and par value of such stock, the number of shares represented, the name of the person, and shall bear the signature of the chairperson and secretary, or secretary-treasurer, and be numbered and issued in numerical order from a stock certificate book. A record of each certificate shall be kept or, the stub thereof or in a separate ledger.

Each certificate shall also state the class with its relative rights, preferences, and/or restrictions granted to or imposed upon the share of each class.

Each certificate shall have printed upon it words to the effect that it shall be transferable only to this Cooperative in person or by attorney, on surrender of the certificate, with the consent and approval of the Board of Directors; that the corporation retains the right to purchase or recall such certificate; and that it is subject to any indebtedness owing the corporation by the holder thereof.



Section 7. Transfer of Stock

Shares of stock shall be transferable only to this Cooperative with the consent and approval of the Board of Directors. Shares of stock may not be transferred in any other manner. This Cooperative retains the right to terminate all memberships as provided in the bylaws and to purchase or recall all stock. Redemption of capital stock by this Cooperative is subject to any indebtedness owing this Cooperative by the stockholder.

Section 8. Fiscal Year

The fiscal year of this association shall commence on the first day of January and end on the last day of December.

ARTICLE XII EQUITY REDEMPTION

Section 1. Apportionment and Distribution

For purposes of such apportionment and distribution, total proceeds shall consist of any and all sums received from any source whatsoever exclusive of subscribed capital, amounts held on deposit or in escrow for services or goods to be performed or delivered in the future, and borrowed sums; and shall be received and held by this Cooperative for and as the property of its members, subject to the deductions therefrom and distribution thereof as provided herein.

Section 2. Regular Redemption, Revolving Fund

If at any time the board of directors determines that the financial condition of the association will not be impaired thereby, capital credited to members' accounts may be redeemed in full or in part. Any such redemption of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the association being the first redeemed.

Section 3. Discretionary Special Redemptions

Notwithstanding any other provision of these bylaws, the board, at its absolute discretion, shall have the power to retire any capital credited to members' accounts on such terms and conditions as may be agreed upon by the parties in any instance in which the interests of the association and its members are deemed to be furthered thereby and funds are determined by the board to be available for such purposes.



Section 4. Unclaimed Distributions

Any redemption of any membership certificate, stock, distribution of patronage dividends or redemption of retained patronage dividends which remains unclaimed four years after the date authorized for payment may be forfeited by action of the Board. Any amount so forfeited shall revert to the Co-op if, at least six months prior to the declared date of forfeiture, notice that the payment is available has been mailed to the last known address of the person shown by the Co-op's records to be entitled thereto, or, if the address is unknown, is published at least once a month for four months in a newspaper or general circulation in the county in which the registered office of the co-op is located.

ARTICLE VIII TAX CONSENT

Each person who hereafter applies for and is accepted to membership in this association, and each member of this association on 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 his patronage occurring after the effective date of this bylaw, which are made in qualified written notices of allocation or qualified per-unit retain certificates (as defined in 26 U.S.C. 1388), and which are received by him from the cooperative, will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation and per-unit retain certificates are received by him.

Written notification of the adoption of this Article, a statement of its significance, and a copy of the provision shall be given separately to each member and prospective member before membership in the association.

ARTICLE IX NONMEMBER BUSINESS

Section 1. Limits to Non-member Patronage

This association may conduct business with non-members on either a patronage or non-patronage basis. However, the amount of product (dollar value) purchased from the cooperative by non-member patronage shall not exceed in total the value of all member purchased value patronage.

Section 2. Non-Participation



Non-member patrons shall have no rights, claims, or interests in any capital or reserves of the cooperative.

ARTICLE XX NONPATRONAGE INCOME

The non-patronage income of the cooperative shall be its gross receipts derived from all sources which under law do not qualify as patronage income, less all expenses properly attributable to the production of such non-patronage sourced income and all income taxes payable on such receipts by the association. Non-patronage income shall be used in behalf of the cooperative and its members in accordance with such lawful purposes, including assignment to an unallocated reserve account and allocation in whole or in part to members, as may be determined by the board of directors.

ARTICLE XXI LOSSES

Section 1. Patronage Losses

In the event the association suffers a loss during any year on business conducted with or for patrons, such loss may be apportioned among the patrons during the year of loss so that such loss will, to the extent practicable, be borne by the patrons of the loss year on an equitable basis. The board shall have full authority to prescribe the basis on which capital furnished by patrons may be reduced or such loss otherwise equitably apportioned among the patrons. In the event of a patronage loss in one or more departments or divisions of the operation of this cooperative, but not so much as to cause an overall loss for the fiscal year, such loss or losses may be prorated against each of the remaining profitable departments on the basis of their respective percentage of the net margins during such fiscal year.

Section 2. Non-patronage Losses

If in any fiscal year the association shall incur a loss other than on patronage operations, such loss may be charged against any reserve accumulated from non-patronage earnings in prior years.

Section 3. General Provisions

The board shall have no authority to make assessments against members.



This section shall not be construed to deprive the association of the right to carry backward or forward losses from any source whatsoever in accordance with the Internal Revenue Code or state taxing statutes.

ARTICLE XXII AMENDMENTS

These bylaws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3) of members present in person. In case of any conflict between the Articles of Incorporation and these bylaws, the Article of Incorporation shall control.

ARTICLE XXIII DISSOLUTION AND PROPERTY INTEREST OF MEMBERS

Upon dissolution, after all debts and liabilities of the cooperative shall have been paid, all shares of preferred stock and common stock redeemed, and all capital furnished through patronage shall have been retired without priority on a pro rata basis, the remaining property and assets of the cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members insofar as practicable, unless otherwise provided by law.