**Fallon Food Hub Cooperative, Inc**

Bylaws

# Article 1: Organization

**1.1 Name.** The name of the organization shall be Fallon Food Hub Cooperative, Inc (“FFHC”), a Nevada Nonprofit Cooperative Corporation formed pursuant to Nevada Revised Statutes Sections 81.010 through 81.160.

**1.2 Purpose.** The FFHC’s purpose is to operate a cooperatively-owned grocery store that provides groceries and other consumer goods and services to its members and other patrons. Additionally the purpose includes engaging in any of the following, for the mutual benefit of its members:

1. Production, packaging, distribution, preparation, advertising, purchase, and sale of food products, other commodities, and general merchandise.
2. Similar or incidental ventures and businesses on behalf of the members of FFHC and the community at large.
3. Increasing awareness of, and appreciation for, local farming and proper nutrition.
4. Performing every act and thing necessary and proper to the conduct of its business or for the pursuit of any lawful purpose.

**1.3 Cooperative Principles.** The FFHC shall be operated in accordance with the cooperative principles adopted by the 1995 General Assembly of the International Cooperative Alliance:

1. Voluntary and open membership
2. Democratic member control, i.e. One Member = One Vote
3. Member economic participation
4. Autonomy and independence
5. Education, training, and information
6. Cooperation among Cooperatives
7. Concern for community

**1.4 Location.**​ The principal office of the FFHC shall be located in Fallon, Nevada.

# Article 2: Members

**2.1 Eligibility.** Membership in the FFHC is voluntary and open to anyone who is able to benefit from the Cooperative and willing to accept the responsibilities of membership.

Any natural person will become a member upon:

1. Completing the FFHC membership application.
2. Payment of FFHC annual membership dues.
3. Consent to receive notices and information from FFHC through electronic mail. Members may opt out of electronic communications by informing the secretary of the preferred method of communication and by providing the necessary contact information.
4. Meeting other membership criteria as may be established from time to time by the Board.

If the Board has denied membership to any natural person, that person may appeal to the members of the FFHC at the first regular or special members' meeting thereafter, and ask that he or she be admitted to the FFHC as a member, and the action of the members on the question of whether to admit such person as a member shall be final.

When a new member is admitted, the FFHC will provide the new member with a copy of the current Bylaws, including an explanation of patronage refunds.

One membership may be shared by two or more adults sharing a household, and in the case of a shared membership, the FFHC will record the names and contact information of all adults sharing the membership in the Cooperative's records.

**2.2 Member Rights.**​ Each member shall be entitled to:

1. Make purchases from FFHC on terms available to all members;
2. Vote in elections on all issues to be decided by the FFHC’s members. The right to vote is personal and is not connected to the membership of stock in the FFHC. Each member shall have one and only one vote;
3. Attend meetings of the Board, except for such portions of meetings that the Board determines to close for discussion (but not decision) on matters of a confidential or sensitive nature;
4. Receive notice of and attend member meetings;
5. To approve amendments to these bylaws; and
6. Receive reasonably adequate and timely information about FFHC’s operations and finances. The Board may limit a member’s access to information to protect confidential or sensitive information. Any member’s request for information may be accommodated by means other than direct access to the FFHC’s records.

Rights of members shall be personal rights and not property rights.

**2.3 Responsibilities.** ​Members shall:

1. Provide FFHC with contact information that allows the delivery of information through electronic communications or by US Mail without the communication being returned as undeliverable two times in succession;
2. Inform FFHC of any changes in name or current address;
3. Abide by these bylaws and the policies of the FFHC and the Board;
4. Pay all dues and fees set pursuant to Section 2 at the time that they are due;
5. Make at least one consumer transaction per year with FFHC.

A member must fulfill these responsibilities to remain in good standing. A member who fails to meet the above requirements will be considered inactive, and his or her right to vote in the affairs of the FFHC shall be suspended.

All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time, and to the policies and decisions of the FFHC and the Board.

**2.4 Voluntary Termination of Membership.** A member may terminate his or her membership voluntarily at any time by written notice to the FFHC. The member's right to vote in the affairs of the FFHC will terminate immediately. Within sixty (60) days of receiving a notice of voluntary termination, the Board shall pay any amounts due to the member for redemption of the member’s shares under any policies adopted by the Board to govern share redemption.

**2.6 Involuntary Termination of Membership.** Any member’s membership may be terminated involuntarily by the Board for cause if the Board determines that the member has:

* + become ineligible for membership for any reason;
  + intentionally or repeatedly violated any provision of the Articles, these bylaws, or Cooperative policies;
  + taken actions that could reasonably be expected to impede this Cooperative from accomplishing its purposes;
  + taken or threatened actions that adversely affect the interests of this Cooperative or its members;
  + willfully obstructed any lawful purpose or activity of this Cooperative; or ● breached any contract with this Cooperative.

Membership may only be terminated after the member has been provided fair notice of the reasons for the proposed termination and has had an opportunity to respond in person or in writing.

**2.7 Death of a Member.** In the case of a membership that is shared by two or more adults in a household, upon the death of any of them, the membership will be held only by the survivor(s), and the FFHC will remove the name of the deceased from its member records. The surviving member(s) will be entitled to all equity and payments owned by and due to the membership. The estate of the deceased shall remain liable for any debts or liabilities to the FFHC.

In the event of the death of a member whose membership was not shared with any other adult, the FFHC shall interpret the notice of the member's death as a notice of voluntary termination of membership. The FFHC shall make any distributions payable to the deceased member's estate.

**2.8 Return of equity.** Equity shall be returned upon termination of membership in the FFHC, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary for the FFHC’s business needs.

**2.9 Non-transferability.** Members’ rights and interests may not be transferred except to the FFHC.

**2.10 Unclaimed property**.​ If any member moves and fails to notify the FFHC of his or her new address, and if the FFHC cannot contact the member using reasonable efforts, then the FFHC has no obligation to redeem the member’s common stock or to make any other distributions to that member, and any amount owed to the member and any balance in the member’s capital account will be transferred to the FFHC’s reserve account.

**2.11 Settlement of disputes.** In any dispute between the FFHC and any of its members or former members which cannot be resolved through informal negotiations, it shall be the policy of the FFHC to prefer the use of mediation 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 resolved in good faith.

# Article 3: Member Meetings

**3.1 Annual meeting.** A member meeting shall be held each year at a time and place to be determined by resolution of the Board. At the annual meeting, the members shall approve directors of this Cooperative for the terms of office and in the manner prescribed by these bylaws and shall transact such other business as may properly come before the meeting. Meetings of members shall be conducted generally in accordance with reasonable and accepted rules of parliamentary procedure. The Board shall ensure that reports on the FFHC’s operations and finances and any other important issues are presented to the members at the annual meeting.

**3.2 Special meetings.** Special meetings of the members may be called by the Board, or shall be called by the President after receipt of a written petition signed by fifteen percent (15%) of the members in good standing. 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 President. No business shall be conducted at the special meeting except that specified in the notice of the meeting.

**3.3 Notice of meetings.** Unless the member has waived the right to notice, written notice of the time, place, and purpose of a general meeting of members shall be 1) emailed to each member either separately or in a cooperative publication, or 2) personally delivered to the member. The notice must be mailed or delivered not less than four (4) weeks nor more than eight (8) weeks prior to the date of the meeting. Members may discuss, but may not make any decision on an issue that was not included in the notice of the meeting.

**3.4 Waiver of Notice.** ​Any member may waive his or her right to receive notice of meetings by signing a written notice of such waiver and delivering it or mailing it to the Secretary of this Cooperative. The FFHC will keep all such waivers signed by current members in its files. Members who have waived their right to notice will receive notice of all member meetings by email not less than two weeks before the meeting.

**3.5 Voting.** Each membership shall have one and only one vote on each matter submitted to a vote of members. Unless otherwise required by law or by these bylaws, issues shall be decided by a simple majority of votes cast except where a choice is to be made from more than two alternatives, in which case the alternative receiving the most votes (a plurality) shall be considered approved. The Board shall institute policies and procedures to reasonably assure the integrity of the voting process. Members may vote in person or by written proxy.

**3.6 Quorum.** The presence in person or by proxy ballot at the opening of the meeting of ten percent of all members if the FFHC has 500 or fewer members, or 50 members if the FFHC has 500 or more members, shall constitute a quorum for the transaction of business at any meeting of members.

**3.7 Proxy Voting.** Owners who are absent from a member meeting may vote by electronic or postal mail ballot in any matter submitted to a vote by members.

**3.8. Issues Submitted by Members.** The agenda of a meeting of members shall include any proper issue submitted by petition of at least seven percent (7%) of all members. Petitions must be received by the FFHC not less than sixty (60) days before the date of the meeting at which they are to be presented to a vote of members.

# Article 4: Board of Directors

**4.1 Powers and duties.** Except for matters reserved to the members by law or by these bylaws, the affairs of the FFHC will be governed by the Board of Directors. The duties of the Board shall include, but not be limited to, overseeing the operations and finances of the FFHC; establishing policies to guide operational decisions; engaging an Executive Director and monitoring and evaluating his or her performance; securing good conditions of employment and reasonable employee benefits for the FFHC’s employees; and making sure that the purpose and mission of the FFHC are properly carried out.

Specifically, The Board of Directors has the power to:

1. appoint and remove officers;
2. hire and fire management;
3. create and disband committees;
4. incur or retire debt;
5. set or change membership dues, consideration for shares, and other terms of membership;
6. set or change the FFHC’s fiscal year; and
7. do or perform any other action in furtherance of FFHC’s purpose.

**4.2 Number and qualifications.** The Board shall be composed of five (5) Directors, elected from among members of the FFHC. To be qualified as a Director, a person must:

1. be at least 18 years old;
2. have been a member for at least six (6) months prior to the commencement of the Director’s term, except for Directors who were also Incorporators of the FFHC;
3. not have any significant conflict of interest with the FFHC.
4. not have a financial relationship with FFHC including, but not limited to, individuals who receive payment from FFHC for goods and services provided to the FFHC.
   1. **Nominations, election and terms.** Directors may be nominated by the Board, by a nominating committee, or by petition signed by at least fifteen (15) members and submitted to the FFHC at least sixty (60) days before the date of the annual meeting. Directors shall be approved by members at the annual meeting. Directors serve a 2 year term before being eligible for re-election. The Board of Directors may fill a vacancy by appointing a new director to a term that expires at the end of that seat’s two-year term.
   2. **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 interest of the FFHC, and with the care that an ordinarily prudent person in a like position would use under similar circumstances.
   3. **Conflicts of interest.** Directors have an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board, and such interest shall be recorded in the minutes of the meeting. Directors having such an interest shall be permitted to make a statement with regard to the matter and shall then be required to leave the meeting room. A transaction in which a Director has an interest shall be prohibited unless the transaction is fair to the FFHC and is approved by a majority of all disinterested Directors.
   4. **Committees.** The Board may appoint special or standing committees to advise the Board or to exercise such authority as the Board designates. Such committees shall include at least one Director. Committees are subject at all times to the oversight and control of the Board. The appointment of any committee shall not relieve the Board of its responsibilities of oversight of the FFHC. At the very least, the Board shall maintain a Producers Committee.
   5. **Termination.** A Director’s term of office may be terminated prior to its natural expiration in any of the following ways:
5. Voluntarily when a Director gives notice of resignation to the Secretary;
6. Automatically upon termination of the Director’s membership interest in the FFHC;
7. By decision of two-thirds (2/3) of the other Directors for conduct contrary to the FFHC’s purpose or policies, provided that the Director is given fair notice of the reason for the proposed termination and an opportunity to respond in person or in writing.
8. A Director who is absent from three (3) consecutive Board meetings or four (4) meetings in any one-year period, unless excused by the Board for good cause, shall be deemed to have resigned.

**4.8 Vacancies.** Any vacancy among Directors may be filled by appointment by the Board. A Director so appointed shall serve until the next annual or special member meeting at which Directors are to be approved, and at that meeting, the members shall approve a Director to fill the unexpired term of the vacant Director’s position.

# ARTICLE 5: Officers of the Board

**5.1 Officers.** At the annual meeting of the Board of Directors, the Board shall elect from its members a President; a Treasurer and a Secretary. The Board may designate other officers as the Board deems necessary or helpful. The FFHC Executive Director is a non-voting advisor to the Board of Directors. This provision does not add or subtract from the FFHC Executive Director’s fiduciary duties.

**5.2 Officers’ Duties.** In addition to signing or attesting to formal documents on behalf of the FFHC as authorized by the Board, officers shall have the following duties:

1. The President shall be responsible for assuring the orderly conduct of all meetings, coordinating the activities of the Board, and maintaining effective communication with the FFHC Executive Director, and shall present a report of operations at the annual meeting of members.

1. The Secretary shall be responsible for recording and keeping minutes of all Board and member meetings; giving notices when required; and authenticating records of the FFHC.

1. 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 quarterly financial reports to the Board, and a financial report at the annual meeting of members.

1. The FFHC Executive Director shall be responsible for administering the day-to-day activities of the FFHC under the direction and control of the Board. The FFHC Executive Director is employed at the will of the Board of Directors.

The Board may assign additional duties to any of the officers.

**5.3 Removal of Officers.** The members may remove an officer (other than the Executive Director) at a members' meeting for cause related to the duties of the position, and may fill the resulting vacancy. Any officer (other than the Executive Director) may be removed by the Board of Directors if the Board determines that doing so would serve the best interests of the FFHC. Any vacancy among the officers caused by such removal shall be filled by the Board of Directors. No election or appointment to an office of this FFHC shall itself create any contract rights.

# Article 6: Meetings of the Board

**6.1 Annual Meeting.** Within thirty (30) days before each annual members' meeting, the Board of Directors shall meet for the purpose of electing officers of the Board and for the transaction of such other business as shall come before the meeting. The annual meeting of the Board of Directors shall be held at such time and place as may be fixed by the Board.

**6.2 Regular Meetings.** Regular meetings of the Board of Directors shall be held from time to time at such time and place as may be fixed by the Board of Directors.

**6.3 Special Meetings.** Special​ meetings of the Board of Directors may be called by the President, and must be called upon request by any two (2) Directors. Any special meeting of the Board shall be held at the time and place designated in the notice of the meeting.

**6.4 Notice of Meetings.** Notice of each annual, regular, and special meeting of the Board of Directors shall be given by the President or Secretary at least seven (7) days in advance of the meeting to each director by telephone, email, or in person, unless a shorter time period is agreed to. Notices of meetings of the Board shall also be posted at least 48 hours in advance in the FFHC store.

**6.5 Waiver of notice.** Notice of any meeting of the Board of Directors may be waived either before, at, or after the meeting, in writing signed by each Director. A Director, by attending any meeting of the Board of Directors, shall be deemed to have waived notice of such meeting, except when a Director attends the meeting solely for the purpose of objecting to the transaction of business because the meeting was not lawfully convened.

**6.6 Quorum.** The presence in person of a majority of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

**6.7 Decision Making.** Decisions of the Board shall be made by consensus, whereby all expressed concerns are resolved or those having unresolved concerns agree to support the proposal despite their concern. The Board shall take action only by the affirmative vote of the majority of Directors participating in the decision. A director may abstain from voting when she/he has a conflict of interest or for some other reason feels that she/he should not participate in the vote.

**6.8 Open Meetings.** Meetings of the Board and all committees shall be open to members, except that portions of a meeting may be closed for discussion only as to matters of a confidential or sensitive nature.

# ARTICLE 7: Indemnification and Insurance

**7.1 Indemnification.** This FFHC 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, reasonably incurred in the successful defense of a lawsuit or legal proceeding to which that person is or was a party by reason of his or her position with respect to the FFHC. The Board of Directors in its discretion may indemnify any person against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred in the unsuccessful defense of any lawsuit or legal proceeding to which the person is or was a party by reason of being a director, officer, manager, employee, or agent of this Cooperative, or serving at the request of the FFHC as a director, officer, manager, employee, or agent of another business enterprise, if the Board determines that the person was acting in good faith and reasonably believed that his or her actions that gave rise to the legal proceeding were in the best interests of the FFHC.

**7.2 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 FFHC.

# ARTICLE 8: Interpretation and Amendment of Bylaws

**8.1 Interpretation.** The Board of Directors shall have the power 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.

**8.2 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 the extent required by law 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.

**8.3 Amendment.** The Board of Directors may make and amend any bylaws with a unanimous vote, which amendment is effective immediately. Any bylaw adopted or amended by the Board shall be reported at the next regular members' meeting. Any Bylaw adopted or amended by the Board shall be at any time subject to amendment or repeal by the Members upon prior notice, and for one year after such action by members, the bylaw is not subject to amendment by the Board.

**8.4 Annual Review.** ​The Board of Directors will conduct an annual review of the bylaws prior to the annual meeting of members.

Approved:

25 January 2017

President Kelli Kelly

Secretary Carol Lloyd

Treasurer Jake Coval

Board Member June Lindsey

Board Member Jaime Sammons