



BYLAWS

Fairbanks Community Cooperative Market

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Approved by Board of Directors September 11, 2017.

Article 1: Organization

- a. The name of the organization shall be Fairbanks Community Cooperative Market, Inc. (henceforth “Co-op Market”). Co-op Market is a membership organization whose members hold an equity interest in the organization but membership is not required for patronage.
- b. Not-for-profit Operation. Co-op Market is an enterprise organized under the Alaska Cooperative Corporations Act (AS 10.15) of the Statutes of the State of Alaska. Co-op Market shall at all times be operated on a cooperative not-for-profit basis for the benefit of its members.
- c. Powers. Co-op Market shall have the power to conduct lawful business in the state of Alaska, including but not limited to operating retail marketplaces that sell natural foods and other items requested by its patrons. Co-op Market shall have, exercise, and possess all the rights, powers, and privileges generally granted under Alaska law, and particularly, those granted to a cooperative corporation pursuant to A.S. 10.15.010.

Article 2: Membership

- a. Admission. Any individual person who accepts the responsibilities outlined in section 2c may be admitted to membership upon submitting an application and paying a membership fee in an amount and on such terms as determined by Co-op Market's Board of Directors (henceforth "the Board"). The membership fee is the member's equity interest in Co-op Market. A single membership may include other individuals in the same household but only allows for one vote on all matters submitted to the membership, as described in 2b.
- b. Rights. Each member in good standing, as defined in section 2c, shall have the right to any patronage dividend or other benefits as may be established by the Board or Co-op Market. Members have the right to elect the Board, to attend board meetings, to receive notice of and attend membership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws. 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 Co-op Market or the Board.
- c. Responsibilities. Members shall keep current any installment payments of the membership fee due to Co-op Market and shall keep Co-op Market informed of any changes in name or current mailing address. A member who upholds these responsibilities is considered an active member in good standing.
- d. Membership Rolls. Under the direction of the Board, membership rolls will be maintained to accurately reflect the status of all members. When, after a period of two (2) years, meeting notices, ballots, and any other correspondence to a member are returned with no indication of a forwarding address or other way to make contact, and there is no patronage recorded, the membership will be designated inactive and voting rights will be suspended until contact is made or patronage recorded.
- e. Termination of Membership. A member may elect to voluntarily end his or her membership at any time by written notice to Co-op Market. Membership may be terminated involuntarily by a majority vote of the Board for cause, which may include malfeasance, theft, or criminal acts deemed harmful to Co-op Market.
- f. Return of Member's Equity. Co-op Market shall return a member's equity interest upon termination of membership as determined by the Board. The amount returned to the member may be offset by any unpaid amount owed to Co-op Market.

g. Unclaimed Property. A member, or a member's estate's, right to property (such as equity interest, a distribution of dividends, or a payment based upon a security by Co-op Market) which remains unclaimed for six (6) years after the date authorized for payment or six (6) years after the member's death, may be forfeited by the Board. The amount forfeited may revert to Co-op Market if, at least six (6) 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 Co-op Market's records to be entitled to it or, if the address is unknown, is published as provided by law for the publication of summons pursuant to AS 10.15.295.

h. Transferability. The rights of membership may be transferred, under terms determined by the Board.

Article 3: Membership Meetings

a. Annual meetings. Annual meetings shall be held each year at a time and place determined by the Board. Written notices of such meetings, including an agenda, shall be given to all members of Co-op Market not less than seven (7) or more than 30 days prior to the meeting. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect Co-op Market and to transact such other business as may properly come before the Board.

b. Special meetings. Special membership meetings may be called by the Board or Chair of the Board. The secretary shall call a special meeting in response to a written petition by not less than 10% of the members that states the business to be brought before the meeting. Notice of special meetings, including the purpose for which the meeting is called, shall be given to members not less than seven (7) or more than 30 days before the meeting.

c. Quorum. A quorum equal to 10% of the active members in good standing on the date of meeting notification shall be required at such meetings in order to conduct business. A vote cast by mail or electronic ballot shall be counted as if the member were present and attending in person for the purposes of establishing the 10% quorum requirement, in accordance with AS 10.15.135 and AS 10.15.130(e).

Article 4: Member Voting

a. Voting shall be accomplished through methods and means established by the Board.

Notice of the vote shall be communicated to members not less than three (3) weeks prior to the end of the election period.

b. Certification. The secretary of the Board, or if the secretary is unavailable, any officer as chosen by the Board Chair, shall certify any vote by the membership. Unless specifically stated otherwise in these bylaws, the outcome shall be determined by a majority of the members voting.

c. Members may not vote by proxy.

Article 5: Bylaws

These bylaws may be amended or repealed in whole or in part 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 in good standing. Notification of any proposed amendment must be included in the notice for the meeting at which the vote will be taken not less than seven (7) or more than 30 days prior to voting. As with other business, a quorum of 10% of active members in good standing is required to vote on proposed amendments.

Article 6: Board of Directors and Officers

a. Powers and Duties. Co-op Market shall be governed by a Board of Directors of nine members, elected from among members of Co-op Market. Except for matters for which member voting is required, the Board shall have full power to govern Co-op Market, including, but not limited to, hiring management and evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of Co-op Market is carried out.

b. Officers of the Board. The Board shall elect from among themselves the following officers: Chair, Vice Chair, Secretary and Treasurer. The Secretary and Treasurer may be the same person.

c. Elections and Terms. Candidates who receive the highest number of votes for their particular seat shall be deemed the winner. In the event a candidate withdraws before an election is certified, the candidate with the next highest vote count shall be declared winner for that seat. In a tie, the candidates shall draw lots, in a manner determined by the Board Chair, to determine the winner. Directors shall be elected for a term of three

(3) years, and shall serve until their successors have been elected or appointed. Directors shall serve staggered terms such that approximately one-third (1/3) of the Board is elected each year. If a director resigns or is removed before his or her term expires, the Board shall appoint a replacement director by the affirmative vote of a majority of the remaining directors to serve the balance of the term for the vacant position. Such appointment shall be subject to vote of confirmation by the membership at the next annual meeting if an annual meeting occurs before the end of the unexpired term.

d. Board Meetings. The Board shall hold regular and special meetings at such time and place as it shall determine. All directors shall be notified at least three (3) weeks in advance of regular meetings and 10 days—or as much as is practical—in advance of special meetings. 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 Co-op Market's position in the marketplace, and/or discussion of a matter that may, by law, be considered confidential.

e. Quorum. A quorum of five directors shall be required to conduct business at any board meeting.

f. Action without a Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action taken, is signed by all of the directors entitled to vote. This consent has the force and effect of a unanimous vote at a meeting.

g. Removal of a Director. Consistent with AS 10.15.155, a director may be removed upon a majority vote of all members voting in person at a member meeting. Before the vote may be taken, written reasons for removal of the director shall be presented at a meeting of the members and the director sought to be removed shall have an opportunity to answer the reasons at that meeting. The written statement of reasons for removal shall be filed with the minutes of the meeting. Election or appointment of an officer does not of itself create contract rights.

h. Chief Executive Officer. The Board shall appoint a Chief Executive Officer who may be, but is not required to be, a member of Co-op Market. For the purposes of this section, a General Manager may be considered a Chief Executive Officer. No director of the Board may serve as Chief Executive Officer until one (1) year after discontinuing service as a director. The Chief Executive Officer shall perform such duties and shall exercise such authority as the Board assigns in the contract.

- i. Committees. The Board, by majority vote, may establish various committees as it deems necessary and advisable to assist the Board in governing the affairs of Co-op Market.
- j. Policies, Rules and Regulations. The Board shall have the power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of Co-op Market. Policies of the Board may be adopted, modified or rescinded only by the vote of a majority of the directors.
- k. Indemnification. To the fullest extent permitted by the applicable law, the Board in its sole discretion, may by majority vote, indemnify a director for any loss, damage, or claim incurred by such director by reason of any act or omission performed or omitted by such director in good faith on behalf of Co-op Market and in a manner reasonably believed to be within the scope of authority conferred on such director under these bylaws; provided, however, that any indemnity under this section shall be provided out of and to the extent of Co-op Market's assets and/or from the Director and Officer insurance policy, if applicable, and no other director shall have any personal liability on account thereof.
- l. 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. No employee of Co-op Market may serve on the Board.

Article 7. Patronage Dividends

- a. Allocations to Members. Co-op Market shall apportion, distribute, and pay to members its net proceeds or savings, or a portion thereof, as patronage dividends consistent with cooperative principles, applicable state (e.g. AS 10.15.275) and federal laws, and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made.
- b. Consent of Members. By obtaining or retaining membership in Co-op Market, each member consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from Co-op Market.

Article 8. Dissolution

a. Co-op Market may be dissolved at any time, consistent with provisions of AS 10.15.460-520.

Certification of Secretary

I hereby certify that the bylaws of Fairbanks Community Cooperative Market, Inc. attached hereto, were adopted by the members of Co-op Market on _____.

THIS IS TO CERTIFY, that I am the duly elected, qualified and acting Secretary of Co-op Market.

IN WITNESS WHEREOF, I have hereto set my hand this ____ day of ____, 2017.

Tracy Woller, Secretary