

SAN JUAN ISLAND FOOD COOPERATIVE

BY-LAWS

April 30, 2009

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Article I

NAME

The name of the corporation is San Juan Island Food Cooperative (hereinafter called the Co-op).

Article II

PURPOSES

The Co-op shall be organized and operated for the promotion of good nutrition, education thereof, health and social and economic welfare. This includes, but is not limited to, providing high quality, environmentally sound food at the lowest feasible costs and the promotion of education concerning such products to the community and to Co-op members.

MISSION

The Co-op will establish an alternative food distribution framework – a community based, democratically managed, cooperative owned grocery store that supports local and organic production, fosters conscientious consumption, and builds community connections.

Article III

PROHIBITED ACTIVITIES

A. No part of the net earnings of the corporation shall be for the inurement of or be distributable to the members, Directors or Officers of the Co-op, except that the corporation, by and through the Directors, shall have the authority to pay reasonable compensation for services actually rendered to or for the Co-op.

B. All solicitation and posting on Co-op property shall be approved by the Board of

Directors and shall not include religious or political propaganda.

Article IV

OFFICES

The principal place of Business is 50 Malcolm Street, Surina Business Park, #701, Mailing Box "B", Friday Harbor WA 98250. The corporation may maintain additional offices at such other places as the Directors choose to designate.

Article V

MEMBERSHIP

- A. The Co-op shall not discriminate on the basis of age, color, creed, disability, gender, national origin, race, religion, political affiliation or sexual orientation.
- B. Membership in the Co-op shall be held by becoming a member of a Co-op Household (hereinafter called Household). Each Household will pay the annual membership fee and agree to support the Articles of Incorporation and these By-Laws.
 - 1. A Membership Household shall consist of adults who shop and prepare food together.
 - 2. The Board of Directors reserves the right to limit the number of adults who may utilize a Household Membership. Each registered Household is entitled to one vote at General Membership meetings and elections.
 - 3. Standard Membership: For a Membership fee to be determined by the Board of Directors, this Household will be entitled to make purchases from and use the services of the Co-op.
- C. The Board is empowered to create separate categories of Membership as required, with adjusted fees and benefits.
- D. The list of members shall be used solely for Co-op business.
- E. Fee:
 - 1. As determined by the Board of Directors, fees must be renewed on an annual basis. All Memberships shall be subject to renewal between Oct 1-Oct 31.
 - 2. For the months of June-September Members will pay half of the annual fee for that first years' Membership.
 - 3. Membership year shall be defined as Oct. 1-Sept. 30
 - 4. This fee is non-refundable.

Article VI

BOARD OF DIRECTORS

A. Responsibilities:

1. Employ staff; approve the make-up of the hiring committee; approve job descriptions; approve a hiring policy
2. Select Officers and fill Board vacancies as needed
3. Approve an operating budget annually
4. Monitor financial health of Co-op
5. Appoint standing and special committees as needed
6. Authorize appropriate agents to sign contracts, leases or other obligations on behalf of the Co-op
7. Adopt, review and revise Co-op long-range business plans, including feasibility, fundraising, etc.
8. Approve expenses outside annual budget, excluding major capital improvements
9. Adopt policy changes
10. Authorize major debt obligations of the Co-op, in compliance with provisions set in article VIII, A 2; subsections d and e
11. Ensure compliance with all corporate obligations, including the keeping of corporate records and filing all necessary documents
12. Ensure adequate audit of Co-op finances performed no less than once a year.
13. Maintain free-flowing communication among Board, staff, committees and the Membership
14. Adopt policies which promote the Co-op's mission statement and goals of the Co-op; establish and review Co-ops goals and objectives
15. Resolve organizational conflicts
16. Provide annual report to the members to include financial report, committee reports and a summary of other significant Co-op events

B. Number:

The Board of Directors of the Co-op shall consist of seven (7) members. A consensus of the Board of Directors may, at any time, increase or decrease the number of Directors of the Co-op as set forth in the Articles of Incorporation, subject to the following limitation.

C. Quorum:

A majority of the Board of Directors must be in attendance to constitute a quorum. A quorum must be present for business to be conducted at a meeting of the Board of Directors.

D. Decisions:

Decisions made and actions taken by the Board of Directors shall be decided by two-thirds majority of the Directors present.

E. Tenure:

The standard Term of Office for each member of the Board of Directors shall be two (2) years. Terms of Office shall be staggered, with three or four of the Directors to be chosen at each annual meeting. The Board of Directors may from time to time adjust Terms of Office as necessary to promote such staggering, or allow a minority of one-year Terms of Office, subject to the foregoing limitations. The tenure of office of Director shall not be affected by any decrease in the number of Directors so made by the Board of Directors. Each Director elected shall hold office until her/his tenure expires, or until her/his successor is elected and qualifies.

F. General Powers:

The business and affairs of the Co-op shall be managed by its Board of Directors, which may exercise all powers of the Co-op as specified in the Articles of Incorporation, the By-Laws, and other lawful acts. No business shall be conducted by the Board of Directors without a quorum being present and two-third's of the Directors approval.

Emergency powers: Officers of the Board are authorized to make emergency decisions without convening. In accordance with provisions set in article VIII, B 1; subsection b.

G. Eligibility:

Any member who abides by the Articles of Incorporation and the By-Laws will be eligible to run for a seat on the Board of Directors. No Household may have more than one (1) member on the Board of Directors at a time. Co-op employees compensated for more than 10 hours a week or its equivalent may not serve on the Board of Directors.

H. Election of Board Directors:

The Board of Directors shall be elected by the General Membership. A minimum of 10% of total members must vote for the election to be valid. Votes may be cast by a Household or by proxy, in person at the Co-op, or by email. Nominations shall be open for one month prior to the Annual Meeting in June, and nominations shall close during the Annual Meeting. Nominations may be made by any voting member, and a candidate may nominate her/himself. Nominees must accept the nomination before their name shall be placed on the ballot. The election period shall extend from the Annual Meeting for one week.

I. Vacancies:

Any vacancy occurring in the Board of Directors, for any reason other than an increase in the number of Directors, may be filled by an agreement of two-thirds of the remaining members of the Board of Directors. Such appointment shall be subject to ratification at the next General Membership meeting. The appointee shall serve the remaining Term of Office of the vacated position. Decisions and actions of the Board of Directors during such time between the filling of such vacancy and the next General Membership meeting shall be considered valid, whether or not the member appointed to fill the vacancy is ratified by the General Membership. If the number of the Board of Directors is increased, any new positions must be filled by the General Membership in the manner provided in this Article, Section E.

J. Resignation:

Any Director may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in such written notice, the resignation shall be effective upon delivery to the Board of Directors or a designated Officer. The Secretary will duly record such a resignation in the Minutes of the following Board meeting.

K. Removal:

A. A Director shall be removed exclusively by the procedures hereinafter provided: before any Director may be removed, written charges, specifying the alleged sufficient cause, as defined below, shall be filed with the Scribe, and a copy thereof shall be served by the Scribe on the Director charged, and he/she shall be given opportunity, at a meeting of the Board of Directors, to be heard on the subject of the charges. Any member of the Board of Directors may be discharged by a consensus of the Board for

1. Conduct that is detrimental to the best interests of the Co-op, or
2. Being declared absent without sufficient reason in the Scribe's Minutes from three (3) consecutive meetings of the Board of Directors, or
3. Not meeting the minimum requirements stated for eligibility in Article VI, Section G.

B. A Director who is removed by the Board may appeal that removal to the membership and ask for a Special Meeting of the membership to review the allegations, evidence and defense against the charge.

L. Compensation:

Members of the Board of Directors are considered volunteers and are subject to the same compensation structures that have been established for all Co-op volunteers.

M. Indemnity:

The Co-op shall indemnify all members and the Board of Directors from its debts and liabilities.

Article VII

OFFICERS

A. Selection of Officers:

Nominations of Officers shall take place at the first Board of Directors meeting when new members join the Board of Directors. Selection of Officers shall be made by agreement of two-thirds of the Board of Directors within the first two meetings. We recognize the Washington State Statute requiring the offices of President, Vice President and Secretary and Treasurer. For the purposes of these By-Laws, the President is the Chair, Vice President is the Vice Chair/Policy Recorder the Secretary is the Scribe, and the Treasurer is the Treasurer.

B. Titles and Duties of Offices:

1. Officers of the Co-op shall include Chair, Vice Chair/Policy Recorder, Scribe and Treasurer.

a. The Chair shall

- (1) Bring a copy of the By-Laws and Standing Rules to each Board meeting
- (2) Present the agenda and prioritize its items at Annual General Membership and Board meetings
- (3) Present all motions, summarize discussion, recognize all who wish to speak, and facilitate decision making at Annual General Membership and Board meetings
- (4) Adjourn Annual, General Membership and Board meetings
- (5) Secure a substitute Chair when appropriate
- (6) Sign all documents authorized by the Board of Directors
- (7) Serve in the role of President when and as necessary to comply with State regulations

b. The Vice Chair/Policy Recorder shall

- (1) Act in the place of the Chair during the Chair's absence
- (2) Maintain a complete and centralized Policy Record governing the Co-op's operations.
- (3) Bring the Policy Record to meetings of the Board
- (4) Maintain a copy of the Policy Record and Standing Rules at the

- principal place of business of the Co-op, for inspection by any member during normal business hours
- (5) Serve in the role of Vice-President when and as necessary to comply with State regulations
- (6) Secure a substitute when necessary
- c. The Scribe shall
 - (1) Be responsible for having minutes recorded at Annual, General Membership and Board meetings
 - (2) Maintain a log of past minutes, bring it to all Board, Annual and General Membership meetings, and make it available upon request by any member
 - (3) Post minutes in the store and on Co-op webpage
 - (4) Work with the Vice Chair/Policy Recorder in establishing the policy record from the minutes
 - (5) Be responsible for issuing all correspondence from the Board of Directors to the Membership and the community at large
 - (6) Coordinate notice of upcoming meetings as provided for in Article IX
 - (7) Secure a substitute when necessary
 - (8) Serve in the role of Secretary when and as necessary to comply with State regulations
- d. The Treasurer shall
 - (1) Chair the Finance Committee
 - (2) Be responsible for keeping a file of financial records and bring them to all Board, Annual and General Membership meetings
 - (3) Secure a substitute when necessary
- 3. Other duties will be delegated to members and Officers of the Board of Directors as the Board of Directors sees fit.

Article VIII

TIME AND MANNER OF CONDUCTING MEETINGS

- A. General Membership Meetings:
 - 1. Time:
 - a. The General Membership shall meet at least annually, at least each June, at such time and place as shall be determined by the Board of Directors.
 - b. A General Membership meeting may also be called at any time by written petition, signed by a quorum (10%) of the General Membership of the Co-op and submitted to the Scribe.
 - 2. Manner:
 - a. Each Annual or General Membership meeting shall include
 - (1) Committee Reports
 - (2) Financial Report

- (3) Membership concerns and open access time
 - (4) Old Business
 - (5) New Business
- b. The presence of 10% of total households or 50 registered members, whichever is less, shall constitute a quorum. A quorum must be present for business to be conducted.
 - c. All matters shall be decided by the vote of two thirds of members present at a meeting at which a quorum is present, unless otherwise provided in the By-Laws.
 - d. At any time a 10% quorum of Membership will be empowered to bring a binding vote of action/policy change by Membership at large.
 - e. A 10% quorum of Membership is needed to make a decision concerning Co-op capital investments, projects or physical moves.
 - f. Proxy or voting in absentia shall be granted if less than 25% of Co-op Membership is in attendance at any given meeting in which a vote is taken. The time to legitimize vote by proxy shall be determined by the majority of Membership in attendance at such given meeting.

B. Board of Directors Meetings:

1. Time:

- a. The Board of Directors shall meet as often as necessary, but no less frequently than monthly.
- b. An emergency meeting to address a situation requiring an immediate decision may be called at the discretion of the Board of Directors. Any decision made by the Board of Directors at said meeting shall be reflected in the minutes of the next meeting.

2. Manner:

- a. Each Board of Directors meeting shall include
 - (1) Committee Reports
 - (2) Financial Report
 - (3) Membership concerns and open access time
 - (4) Old Business
 - (5) New Business
- b. All meetings of the Board of Directors at which Co-op business is conducted shall be open to the General Membership.
- c. The Board of Directors may close meetings at its discretion to discuss personnel matters, legal matters or other items which require private discussion, voting as outlined in Article VI, C and D.

Article IX

NOTICES

A. Whenever notice is required to be given to any Director or Member concerning Annual meetings, General Membership meetings, Board of Director meetings, and special meetings or concerning changes/amendments to Co-op By-Laws, such notice may be given by posting said notice at the principal place of business and by posting on the website. Such notice shall be posted up to, but no later than, two (2) weeks prior to the specified date, except that the notice for the Annual Membership meeting shall be no later than one month prior to the specified date.

B. Delivery of Notice:

1. Delivery of notice of Annual, General Membership, Board of Directors, and any special meetings shall be required as set forth the in Article IX, Section A.
2. Delivery of notice of Board of Directors and Committee meetings shall be by posting in a conspicuous place at the Co-op's principal place of business at least one week prior to the meeting.
3. Delivery of notice shall be required in the manner set forth in Article IX, Section A, whenever a resolution for an amendment to the Articles of Incorporation and/or these By-Laws is to be presented for ratification. In addition, said notice shall also set forth or have attached thereto the proposed amendment or amendments to be ratified.

Article X

COMPENSATION AND CONTRACTS

A. Compensation: Any Member or Director of the Co-op can be authorized by the Board of Directors to receive reasonable compensation from the Co-op for services rendered to the Co-op. No member may receive compensation merely for acting as a member.

B. Contracts:

1. The Co-op may contract to purchase consumer goods furnished by Co-op member households.
2. No Member or Director of the Co-op shall have an interest, directly or indirectly, in any contract relating to the operations conducted by the Co-op, nor any contract for furnishing services or supplies to the Co-op, unless the fact of such interest shall have been disclosed or known to the Board of Directors at any meeting at which issues relevant to such contract are discussed.
3. The Board of Directors is responsible for overseeing contracts with and compensation of employees.

Article XI

COMMITTEES

There shall be the following standing committees for the Co-op: Operations Committee, Financial Committee, Building/ Maintenance Committee, Communications Committee,

Membership and Volunteer Committee and Outreach Committee. Other committees, temporary or standing, may be formed at any time, as directed by the Board of Directors and drawn from member volunteers.

A. Operations Committee:

1. Responsibilities:
 - a. Direct the day to day operations and management of the Co-op
 - b. Determine the products the Co-op will offer
 - c. Evaluate and implement suggestions from the Membership that relate to product selection and the operation and management of the Co-op;
 - d. Recommend to the Board of Directors needs for the efficient operation of the Co-op;
 - e. Evaluate the Co-op volunteers and provide the Board of Directors with recommendations regarding compensation, policy, etc.
2. The Operations Committee shall consist of the Co-op managers and Board of Directors representation, and may also include no more than five (5) other Co-op members.
3. The Operations Committee shall meet at least once a month.
4. The Board of Directors may provide direction to the Operations Committee as it deems necessary.

B. Financial Committee:

1. Responsibilities:
 - a. Advise the Board of Directors on financial matters concerning the Co-op
 - b. Review and evaluate all financial reports and statements prepared for the Co-op
 - c. Prepare other written and/or oral presentations on financial matters at the request of the Board of Directors
 - d. Prepare regular financial reports of income, expenditures and outstanding debts, to be presented quarterly to the Board of Directors
 - e. Prepare an annual budget for Board approval
2. The Financial Committee shall consist of the Treasurer of the Board of Directors and at least two (2) other Co-op members.
3. The Board of Directors may provide direction to the Financial Committee as it deems necessary.

C. Building /Maintenance:

1. Responsibilities:
 - a. Maintain the store premises and equipment in good working order
 - b. Call in professionals for electrical and refrigeration repair
 - c. Provide the Board of Directors with monthly reports of activity and expenditures
2. The Building Maintenance Committee shall consist of a member of the Board of Directors and other Co-op members.
3. The Board of Directors may provide direction to the Building

Maintenance Committee as it deems necessary.

D. Communications Committee:

1. Responsibilities:
 - a. Prepare and distribute to the Membership a newsletter in which the number of issues produced may vary from year to year, and this number may be changed as the current Board of Directors deems necessary
 - b. Prepare and distribute election announcements to the Membership at the Annual Meeting and to the Board of Directors.
 - c. Prepare and distribute Membership drive information
 - d. Maintain and update website with Co-op information
2. The Communications Committee shall consist of a member of the Board of Directors and other Co-op members.
3. The Board of Directors may provide direction to the Communications Committee as it deems necessary.

E. Outreach and Public Relations:

1. Responsibilities:
 - a. Serve as an effective liaison between the Co-op and the Community
 - b. Actively participate in Community events, such as festivals, agricultural meetings/workshops and represent the Co-op by attending business functions/endeavors, such as attending Chamber of Commerce meetings, etc.
 - c. Coordinate membership for special projects, opportunities, co-operation and exchange
 - d. Oversee community outreach
2. The Membership and Volunteer Committee shall consist of one Board member and at least two other Co-op members.
3. The Board of Directors may provide direction to the Membership and Volunteer Committee as it deems necessary.

E. Research and Education:

1. Responsibilities:
 - a. To research and inform membership about items the Co-op stocks or might consider stocking
 - b. To gather current Journalism for posting
- c. To inform about USDA and Health Dept. regulations
- d. To seek and convey information about gleaning, wild foods, alternative products and methods, resource sharing and exchange
- e. To research a network of regional food sources, focused on local production.

Article XII

CORPORATE FISCAL YEAR

The Corporate Fiscal Year for the Co-op's accounting shall be from Oct. 1-Sept. 30.

Article XIII

AMENDMENTS

The Articles of Incorporation and/or these By-Laws may be amended in the following manner: The Board of Directors shall adopt a resolution setting forth the proposed amendment by a two-thirds decision of the entire Board of Directors. The resolution shall then be presented to the General Membership at the next meeting for ratification by a two-thirds majority vote of those members present. (See Article VIII, A, 2.d)

Article XIV

DISSOLUTION

A. Board Action: In order to voluntarily dissolve the Co-op, the Board of Directors must adopt a resolution recommending dissolution and direct that the question of dissolution be submitted to a vote of the Membership.

B. Notice: Appropriate notice of the vote must be provided as required by R.C.W.24.03.220.

C. Vote Needed: The Co-op may be dissolved by a 2/3 vote of the active Membership. No other regular meeting business items as described in Article VIII, A., 2 may be transacted at a special meeting called for the purpose of dissolving the Co-op or on a ballot issued for the purpose of dissolving the Co-op.

D. Procedure: Upon dissolution of the Co-op, the Board of Directors shall supervise the winding up of business, the paying of debts, and the equal distribution of assets to the Membership.

E. No proxy vote shall be taken upon Membership vote concerning the question of dissolution.