

**BY-LAWS**  
**of**  
**Organ Mountain Cooperative dba Mountain View Market**  
As Amended April 2, 2016

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**BY-LAWS**  
**of**  
**Organ Mountain Cooperative dba Mountain View Market**  
As Amended April 11, 2015

**Article I. Membership**

A. Eligibility.

1. Membership in the Cooperative shall be open to any individual who is in accord with its purposes and is willing to accept the responsibilities of membership.

B. Non-discrimination.

1. Membership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

C. Admission.

1. Any eligible person may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors (henceforth "the Board").

D. Rights.

1. Members have the right to elect the Cooperative's Board, to attend meetings of the Board, to receive notice of and attend membership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws.
2. Each member shall have one vote and no more on all matters submitted to members. The rights of members shall be understood to apply only to active members in good standing.
3. 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 the Cooperative or the Board.

E. Responsibilities.

1. Members shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address (physical or electronic), and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. A member who upholds these responsibilities is considered an active member in good standing.

F. Termination of Membership.

1. A member may terminate his or her membership voluntarily at any time by written notice to the Cooperative.
2. Membership may be terminated involuntarily by the Board for cause after the member is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative's bylaws or policies, actions that will impede the Cooperative from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its members, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Cooperative.

G. Return of Equity.

1. Equity shall be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary.

H. Meetings of the Members

1. Annual Meeting. Members of the Cooperative shall have an annual business meeting to be held in October of each year. Meeting notices including the date, time, place, and tentative agenda shall be mailed to each Member at her/his last known address at least two weeks in advance of the meeting. A Final Agenda shall be posted in the store at least twenty-four (24) hours in advance of the meeting. Discussion items may be added to the Final Agenda, but items requiring a Member vote must be included in the meeting notice mailed to each Member.
2. Special meetings may be called by the Board of Directors or by written request of ten percent (10%) of the Membership, such petitions stating the business to be brought before the meeting, and containing the Member number, name, address, and telephone number of the signers. Any special meeting called by request of the Members shall be held not less than forty-five (45) days and not more than ninety (90) days after the board receives the request. Meeting notices including the date, time, place, and tentative agenda shall be mailed to each Member at her/his last known address at least two weeks in advance of the meeting. A Final Agenda shall be posted in the store at least twenty-four (24) hours in advance of the meeting, and nothing shall be added to the Final Agenda.
3. Procedures. Unless otherwise required by law, issues shall be decided by plurality of votes cast in the case of election of directors and by majority of votes cast as to other issues. Meetings of Members shall be conducted under parliamentary procedures that are fair and reasonable.
4. Quorum. The presence in person of twenty-five (25) Members shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Members. If a quorum is not reached, another meeting will be held within thirty(30) days. At that meeting the Members present will constitute a quorum for the transaction of business.

5. Mail Ballots. The Board of Directors may authorize voting by mail ballot in conjunction with, or in lieu of, a meeting of the Members. In such event, the notice of the meeting shall include a copy of the issue to be voted upon together with a ballot, a voting envelope, and notification of the date by which ballots must be received by the Board. Ballots must be returned in a sealed envelope that is authenticated by the Member's signature and Member number. If mail ballots are used in conjunction with a meeting of Members, the vote taken at the Member meeting must also be on paper ballot using procedures approved by the Board of Directors to assure only one vote per Member.
6. Notices. Notices of membership meetings shall include any issues submitted by the Board of Directors and all additional issues requested by petition of at least forty (40) Members. Petitions must include Member numbers, name, address, and telephone numbers of each signer; and must be received by the Board of Directors not less than forty-five (45) days before the date of the meeting at which they are to be presented for a vote of the Members.

## **Article II. Board of Directors**

**A. Number.** The Board of Directors shall consist of nine (9) Directors.

### **B. Qualifications**

1. Be a Member of the Cooperative.
2. Commit sufficient time to fulfill the duties and responsibilities of the position as delineated in Article II. C and D.
3. The following are excluded from serving as Directors on the Cooperative's Board:
  - a. Members of the household or immediate family of a Director. Landlords and lessees of the Cooperative, including owners, lenders, employees, attorneys, real estate agents, or members of the household or immediate family of a landlord or lessee.

### **C. Board Composition**

1. Annual Election. Board elections will be held annually. Elections will be by written ballot commencing at the general membership meeting in April and terminating four weeks later. Each Member shall be entitled to one vote, and there shall be no proxy voting.
2. Board Limitations. At least one of the nine (9) positions of the Board of Directors shall be filled by a part-time or full-time employee Member. This Director must be a Member of the Cooperative, elected by the employees and ratified by the Membership. The General Manager may not serve as a voting member on the Board of Directors. If the position becomes vacant, it will be filled as a vacancy by the Board of Directors, following the results of a staff election, for the unexpired portion of the term. No other employee shall be a member of the Board of Directors. The staff Director may not serve as an Officer of the Board. The employee director may not serve on the finance committee. The staff may also

elect an alternate for this position to serve when the staff Director is unable to attend meetings. The employee Director may be compensated for regular and committee meetings attended. The Board of Directors will determine the compensation. The Director elected by the staff shall be ratified by the Membership.

3. Terms. The terms of the Directors shall be three (3) years. No Member shall be eligible for election to the Board if such election would cause them to serve more than seven (7) consecutive years. A Member who is ineligible for this reason, or who resigns or is removed from the Board, shall remain ineligible to serve as a Director for one year from the date of last Board service. Each Director shall hold office from their date of election and qualification until their successor shall have been duly elected and qualified or until earlier removal, resignation, death or incapacity. The terms of three (3) of the nine (9) Board positions shall end each year.
4. Vacancies. The Board of Directors will appoint a Member to fill a position vacancy occurring in mid-term until the next regular election when the Membership will elect a Director to fill the remainder of the term of the vacant position. Candidates for the Board of Directors must be willing to serve a full three (3) year term. In the event a Board seat becomes vacant, the replacement shall complete the unexpired portion of the term for that Board position. A Special election may be called by the Board of Directors, which will follow the same procedures as a regularly scheduled election.
5. Leave of Absence. In the event a Board member must take a leave of absence, a person who has served on the Board previously may be appointed as a temporary Board member with full powers and responsibilities of regular Board members to serve during the length of time that the Board member is absent, or until the next regularly scheduled membership meeting, when, if the position is still open or the member is still absent, the position shall be filled by election. No more than one leave of absence will be permitted within a calendar year.
6. Resignation. A director who has missed two (2) consecutive regular meetings or four (4) regular meetings in a rolling twelve (12) month period shall be considered to have resigned, unless a leave of absence has been declared, as described in Article IIC.5. The Board may take action to override this resignation.

#### **D. Duties and Responsibilities of the Board of Directors**

1. Hire and fire the General Manager and determine the General Manager's salary and benefits.
2. Become acquainted with and act in accordance with the Articles of Incorporation, Bylaws, policies and agreements of the Cooperative.
3. Be authorized to act on any financial matters, including but not limited to pricing, policy, membership capital, investments in stock, equipment, property and debt repayment.
4. Be authorized to enter into contracts on behalf of the Membership.

5. Require the performance of an annual audit.
6. Make reports to the Membership at membership meetings.
7. A copy of the minutes of Board meetings will be posted in the store, to include the time and place of the next meeting.
8. Appoint task groups and/or committees with committee officers when necessary, providing duties, methods of reporting and terms of service. Committee officers may be removed and replaced by the Board at any time whenever the best interests of the Cooperative would thereby be best served.
9. Review financial statements, file all tax forms and prepare the annual budget.
10. Set long and short-term goals for the Cooperative.
11. Develop objectives on the basis of membership input.
12. Seek out membership opinion. Be responsive to the feelings of the Members.
13. May delegate the preceding responsibilities to committees, professional consultants, or the General Manager.

#### **E. Organization**

1. The Board shall elect from its Directors a President, Vice President, Secretary and Treasurer, and delineate the duties of each.
2. The Board shall form into committees, as deemed necessary. A Committee's membership shall not be limited to Board members.
3. In addition to signing or attesting formal documents on behalf of the Cooperative when authorized by the Board, Officers shall have the following duties and such additional duties as determined by the Board:
  - a. The President shall be responsible for assuring the integrity of Board process including effectiveness of meetings and the Board's adherence to its own rules. The President also shall act as the principal representative of the Board.
  - b. The Vice President shall be responsible for ensuring continuity in the leadership of the board by supporting and assisting the President. The Vice President shall be responsible for assuring the consistent operation of the monitoring process.
  - c. The Secretary shall be responsible for assuring the integrity of Board documents. The Secretary shall be responsible for all Board record keeping.
  - d. The Treasurer shall be responsible for overseeing compliance with approved financial policies.

#### **F. Meetings**

1. Regular meetings will occur every month at a time and place designated by the Board and posted in the store.
2. Special meetings may be called with at least three (3) days notice by the President or by agreement of at least a majority of the Directors. A reasonable attempt must be made to notify all Board members, and notice shall be posted in the store providing time, place and reason for the meeting.

3. Quorum: A quorum shall consist of a majority of the Board. The size of the quorum shall be affected by any vacancies on the Board.
4. Unless otherwise required by law, issues shall be decided by plurality of votes cast in the case of hiring/selection of a general manager, and by majority of votes cast as to other issues. Meetings of the Board shall be conducted under parliamentary procedures that are fair and reasonable.
5. Regular meetings shall be open to the Membership.
6. There shall be no secret ballots.
7. Minutes of each meeting shall be kept and approved by the Board.
8. The General Manager is required to attend regular Board meetings, but will not vote. She/he will participate in the consensus decision-making process of the meetings.
9. The Board may meet in closed executive session to discuss personnel matters, real estate issues, and legal matters. The topics of the executive session shall be posted with the meeting announcement.

**G. Resignation** [See also Article II.C.6.]

1. A Director may resign upon written notification presented to the Secretary or the President.
2. A Director who has missed two (2) consecutive regular meetings or four (4) regular meetings in a rolling twelve (12) month period shall be considered to have resigned, unless a leave of absence has been declared with sufficient time for the Board to meet at a regularly scheduled meeting to appoint a temporary replacement, as described in Article IIC. The Board may take action to override this resignation.
3. A director who no longer meets the requirements listed in Article II, Section B3 shall be considered to have resigned.

**H. Impeachment**

1. A Director may be impeached at any membership meeting by a two-thirds vote of the Members present.
2. The Director involved shall receive at least thirty (30) days notice of an impeachment vote, and will have an opportunity to be heard at a membership meeting before such a vote is taken.

**I. Compensations**

1. Directors shall receive compensation for their services as ratified at the annual meeting.
2. Directors may be reimbursed for any expenses incurred or expenditures made on behalf of the cooperative upon consensus of the Board. Membership shall be notified of any compensation for service received by a Director.
3. Any Director may serve the cooperative in any non-employee capacity, except General Manager, and may receive proper compensation for that service, provided that there is no conflict of interest and that the terms of the compensation are set forth in writing and officially approved by the Board or the General Manager before any compensation shall be paid.

## **Article III. Cooperative Plan of Action**

### **A. Cooperative Operation**

This Cooperative shall have Member Shares and shall admit applicants to membership in the Cooperative upon uniform conditions prescribed by the Board of Directors of the Cooperative or elsewhere in these By-laws. The Cooperative shall be operated for the mutual benefits of its Members, who shall patronize the Cooperative. The participation rights of the Members of the Cooperative shall be equal, and no Member shall have more than one vote. The property rights and interests of each Member in the Cooperative need not be equal and shall be determined and fixed based on the value of Member Shares issued, with any capital ledger account adjustments approved by the Board of Directors pursuant to the Cooperative's Articles of Incorporation and Bylaws. Any Members admitted to Membership shall be entitled to share in the property of the Cooperative in accordance with the foregoing rule.

### **B. Net Savings Defined**

The term "net savings" as used in this Article is defined as the total income of the Cooperative minus the costs of operation, including valuation and reserves. All such net savings at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the Members as capital, and pursuant to a plan of operation whereby the current and active Members of the Cooperative furnish money through patronage for capitalizing the Cooperative.

### **C. Allocation of Net Savings**

Within ninety (90) days of the close of the fiscal year of the Cooperative, the Directors shall apportion the net savings of the Cooperative in the following order:

1. Not less than ten percent (10%) shall be placed in a surplus fund until such time as the fund shall equal at least fifty percent (50%) of the paid-up capital.
2. Dividends not exceeding fifteen percent (15%) per annum, which shall be non-cumulative, may be paid upon Member shares.
3. A portion of the remainder, in an amount determined by the Directors, shall be allocated to an educational fund to be used in teaching cooperation, and a portion may also be allocated to funds for the general welfare of the Members of the Cooperative.
4. The remainder shall be allocated at the same uniform rate to all patrons of the association in proportion to their individual patronage, to Members for the total Member patronage, and to non-members in proportion to the total of non-member patronage, provided:
  - a. In the case of a Member patron, his/her proportionate amount of savings return shall be distributed to him/her as shall be determined by the Board of Directors and in compliance with procedures described in Section C of this Article. All savings returns made in the form of capital ledger credits shall have the same status as if they had been paid to the Member in cash in pursuance of a legal obligation to do so, and the Member had then furnished corresponding amounts of capital for the Cooperative.

- b. In the case of a subscriber in the process of purchasing a Member Share, his/her proportionate amount of savings return may be distributed to him/her or credited to his/her capital ledger account until the amount of capital subscribed for has been fully paid, as the Directors may decide.
- c. Net Savings Apportionment. In the case of non-member patrons, their proportionate amount of savings returns shall be set aside in a general fund for such patrons and shall be allocated to them based on evidence of the amount of their patronage. Any savings returns as allocated shall be credited to such patron towards payment of the purchase of a Member Share. When a sum equal to the cost of a Member Share has been accumulated at any time within a one-year period, such patron shall be deemed and become a Member of the Cooperative, if she/he so agrees or requests, and complies with any provision for admission to membership.

#### **D. Capital Ledger Account**

A record of all Member capital ledger accounts shall be maintained by the Cooperative and updated at least annually.

#### **E. Member Consent**

Each Member of this cooperative and each owner of a revolving fund certificate hereby consents to include in his/her or its gross income for federal tax purposes the amount of any savings return paid to him/her or it by this cooperative in cash and revolving fund certificates, except to the extent that such a savings return is not income to the owner because:

- 1. It is attributable to the purchase of personal, living or family needs, or
- 2. It should be properly treated as an adjustment to the tax basis of property previously purchased.

#### **F. Definitions**

The term “savings return” as used herein shall have the same meaning as the term “patronage dividend” as used in the Internal Revenue Code. All of the other terms used in this section shall have the same meaning as under the Internal Revenue Code.

#### **G. Member Records**

All of the above sections in this Article III shall be printed on the Membership Agreement.

#### **H. Set-Off**

The Cooperative shall be entitled to set off against claims which it may have against any patron, any amount which the Cooperative may owe the patron.

#### **I. Losses**

In the event the Cooperative suffers a loss in any year, the Board of Directors shall prescribe the basis on which the capital contributions of Members shall be reduced on account of any such loss, so that it will be borne by the Members on as equitable a basis as the Board of Directors finds practicable. Such losses shall first be charged

against unallocated surplus, if any, until such surplus is exhausted; then against capital ledger accounts; and finally against the Member Shares on a pro-rata basis.

**J. Release of Shares in Dispute**

Notwithstanding any other provision of these by-laws, the Board of Directors at its discretion shall have the power at any time to pay off or retire or secure a release of satisfaction of any Member Share as adjusted on the capital ledger account or other interests in the Cooperative to settle a dispute or for the purpose of facilitating the settling of an estate in bankruptcy or litigation involving a Member-owner's Member Share.

**Article IV. Amendments**

- A. Amendments to the By-laws shall be introduced to the Membership at least six (6) weeks prior to the time at which the amendment shall be considered for adoption.
- B. Amendments to the By-laws shall require a two-thirds majority of the Members voting.

**Article V. Indemnification of Officers and Directors**

The Cooperative shall indemnify any Director or Officer or former Director or Officer of the Cooperative against reasonable expenses, costs and attorney's fees actually and reasonably incurred by that person in connection with the defense of any action, suit, or proceeding, civil or criminal in which that person is made a party by reason of being or having been a Director or Officer. Indemnification shall include any amounts paid to satisfy a judgment or to compromise or settle a claim. A Director or Officer shall not be indemnified if that person shall be adjudged to be liable on the basis that the individual has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness. Advance indemnification shall be allowed of a Director or Officer for reasonable expenses to be incurred in connection with the defense of the action, suit or proceeding, provided that the Director or Officer shall reimburse the Cooperative if it is subsequently determined that the Director or Officer was not entitled to the indemnification.

## **Article VI. Severability**

In the event that any provision of these By-laws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed to be inoperable to such extent 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 By-laws.

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President

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Secretary