

Village Bountiful Community Market

Village Bountiful LLC
Wholesome affordable foods
Membership owned and managed

Operating Agreement

ARTICLE I – NAME AND ORGANIZATION

1.1 The name of this organization shall be Village Bountiful LLC. In this agreement, the short name shall be the Market.

1.2 The Market shall be organized on a non-stock, membership basis.

ARTICLE II – PURPOSE

Cooperatively owned and managed by and for our members and our neighbors, in keeping with the character and identity of our local community, the Village Bountiful Community Market is Unadilla's grocery store. The Village Bountiful is a source for wholesome, affordable food, as well as an incubator and outlet for local and regional growers, producers and enterprises.

ARTICLE III – MEMBERSHIP

3.1 QUALIFICATIONS Membership shall be open to all persons who meet the requirements of admission to, retention of, and expulsion from membership as are adopted by the Board of Directors. Membership shall be open without regard to race, color, sex, religion, national origin, sexual orientation, or disability. No member shall own more than one membership.

3.2 RIGHTS As stated in this agreement, members have the right to elect the Market's Board of Directors, to remove Directors, to petition for referenda, to attend meetings of the Board of Directors, to receive notice of membership meetings, to approve amendments to this agreement, to serve on committees, and to exercise such other rights of members as may be established by the Board of Directors or by vote of members or pursuant to New York LLC Law Section LLC 601.

3.3 RESPONSIBILITIES The responsibilities of membership shall be those established by the Board of Directors or adopted by vote of members.

3.4 TERMINATION OF MEMBERSHIP Members may terminate their membership by

tendering their resignation in writing to the Secretary.

3.5 NON-TRANSFERABILITY Memberships may not be transferred.

ARTICLE IV – MEETINGS OF MEMBERS

4.1 ANNUAL MEETING The Market shall hold an Annual Meeting of Members no later than one hundred and twenty (120) days after the close of each fiscal year, at a time and place specified by the Board of Directors. At the meeting, the members shall receive the Annual Report and may consider such other business as may be properly brought before it.

4.2 NOTICE The Market shall give each member written notice of Annual or Special Meetings of members by mail and/or by personal electronic communication (where such information is provided) to their last known address at least ten (10) and no more than thirty (30) days before the meeting. Such notice may also be given by being prominently displayed and included in a regular Market periodical which is mailed at postage rates complying with the regulations of the United States postal service addressed to a member entitled to vote. Notices shall also be posted in the storefronts no less than ten (10) days before the meeting.

4.3 QUORUM Quorum at any Annual or Special Meeting shall be five percent (5%) of the membership. Business may be discussed, but no official action may be taken without a quorum.

4.4 SPECIAL MEETINGS Special Meetings may be called by a petition signed by five percent (5%) of the membership, or by the Board. The purpose of such meetings shall be clearly stated in the petition and in the notice of meeting, and no other business may be considered. Petitions for Special Meetings shall be presented to the Board, who shall certify them and arrange a timely meeting date.

4.5 PROXY VOTING Votes at Annual or Special Meetings may be cast only by members by attendance or by proxy. Each member shall be entitled to one vote on each matter submitted to a vote of members. Questions presented at meetings shall be decided by a simple majority of those present and voting.

4.6 AGENDA ITEMS AT ANNUAL MEETINGS Meeting agendas for annual meetings shall be set by the Board of Directors. The Board shall post notices inviting members to submit agenda items in the stores at least twenty-one (21) days before the final agenda is compiled. The final agenda must include items submitted by members under Section 4.7. Proposals not on the meeting agenda shall not be considered for voting, except by 2/3 majority consent of those present at the meeting. Lacking such consent, questions may be raised for discussion, but not for voting, by simple majority.

4.7 REFERENDA Questions of policy or operations may be referred to a membership referendum by the Board of Directors, or by a petition signed by 5 percent (5%) of the

membership. The Board of Directors shall supervise such referenda and shall insure that questions are fairly presented, with adequate space given to opposing viewpoints. Referenda balloting must be carried on for at least twenty-one (21) days. A simple majority may be sufficient to decide questions presented in referenda, provided that at least five percent (5%) of the members cast ballots. If the minimum number of votes is not obtained within 21 days, the time for casting ballots will be extended by twenty-one (21) days. If the minimum number is not obtained after twenty-one (21) days, the Board of Directors shall have the power to decide the question presented in the referendum, and shall count the ballots and treat them as an advisory vote.

ARTICLE V – BOARD OF DIRECTORS

5.1 SIZE AND ELIGIBILITY The Board of Directors may consist of as few as seven and not more than nine Directors selected from the membership. Any member may serve on the Board of Directors. There are six elected positions and up to three Director positions filled by secondment.

5.2 TERMS Elected Directors serve a three-year term and Elected Directors may stand for re-election. Seconded Directors serve for one year and their secondment can be renewed only twice (maximum service of three years).

5.3 STAGGERED TERMS Two (2) Directors shall be elected each year.

5.4 NOMINATIONS AND ELECTIONS The nominations process and annual elections will be supervised by a committee, or committees, appointed by the Board of Directors. Candidates may be nominated by committee or by a standard petition form available from the board to any member. The petition requires signatures of no more than one (1) percent of all members and is to be submitted prior to a deadline to be set by the Board of Directors. The Market shall invite members to run for the board by posting notices in the store(s) for at least twenty-one (21) consecutive days before the candidate deadline.

5.5 VOTING FOR DIRECTORS Voting shall be by ballot delivered, along with submitted Statements of Candidacy, to all members no later than twenty-one (21) days before the Annual Meeting and returned by members before or at the Annual Meeting. Election results shall be announced at the Annual Meeting.

5.6 QUORUM No election of Directors shall be valid unless five percent (5%) or more of the members return ballots.

5.7 METHOD OF VOTING Members of the Market will vote for all candidates on an at-large basis, with each member casting up to the same number of votes as there are openings on the Board of Directors. The winners will be those receiving the highest number of votes.

5.8 VACANCIES A vacancy caused by death, resignation or recall shall be filled by appointment of a member by the remaining members of the Board of Directors. The appointee will serve for the remainder of the term of the Director being replaced.

5.9 REMOVAL Directors may be removed by a two-thirds (2/3) vote of the membership, provided that at least five percent (5%) of the members cast ballots or by proxy. Voting shall be by a ballot delivered to all members. An election to remove any board member may be initiated by a two-thirds (2/3) vote of the Board of Directors or by a petition signed by five percent (5%) of the membership.

5.10 MEETINGS Regular meetings of the Board of Directors shall be held at least six (6) times annually. It shall not be necessary to serve Directors with a written notice of regular meetings. Special meetings may be called by the President or by one-third (1/3) of the Directors. Written notice shall be given to Directors for all special meetings at least three days in advance of such meeting and shall state the time and place of the meeting. The notice may be delivered in person or mailed. **5.11 QUORUM** The Board of Directors shall conduct no business unless a majority of the directors then in office is present.

5.12 DECISION-MAKING Questions presented may be decided by a majority vote of the Directors present. Except as provided in this agreement, meetings will be run in accordance with procedures set forth by the Board.

5.13 ATTENDANCE Any Director with three (3) unexcused absences will be considered to have tendered his/her resignation from the Board, and his/her position will be declared vacant by the Board of Directors. Absences may only be excused by an affirmative vote of the Board at the meeting at which the absence occurs or at the following meeting.

5.14 OPEN MEETINGS Meetings of the Board of Directors, except Executive Sessions, shall be open to all members, who may observe and who may participate according to Board of Director's policy. The Board may call an Executive Session by a two-thirds (2/3) vote of the Directors who are present when personnel matters, real estate negotiations, litigation, and other financial transactions are to be considered.

5.15 PUBLICITY FOR MEETINGS The time, place and agenda for all Board Meetings shall be publicized to members by posting notices in each store and by such other methods as may be practical.

ARTICLE VI – POWERS AND RESPONSIBILITIES OF THE BOARD

6.1 RESPONSIBILITIES The Board of Directors is responsible for the operations of the Market and is expected to carry out its task to ensure that the stores are operated in an efficient, sensible and prudent manner to benefit the whole Market. The Board shall establish all policies of the Market, which shall not be inconsistent with applicable law, this agreement or recognized cooperative principles. The Board may establish a non-redeemable application fee which may be required as a condition of admission to membership. The Board is responsible for carrying out the provisions of this agreement.

6.2 MINUTES The Board of Directors shall prepare minutes of all Board of Director meetings. Minutes shall be posted in store and on website.

6.3 ANNUAL REPORT The Board of Directors shall present an Annual Report to the members at each Annual Meeting, containing a report on the year's operations and the financial statements.

6.4 REFERRAL TO MEMBERS The Board may refer any question to the members for decision at an Annual or Special meeting or by referendum.

6.5 INPUT FROM MEMBERS The Board is expected to continually solicit, both formally and informally, comments, suggestions and advice from members.

6.6 DISPUTE RESOLUTION BODY The Board may establish a neutral dispute resolution body to attempt to settle disputes between the Co-op and any of its members.

ARTICLE VII – COMMITTEES

7.1 COMMITTEES The Board may establish such committees as it deems necessary, both standing and temporary.

7.2 MEMBERSHIP Membership on committees shall be open to any member. At least one Director shall serve on each Standing Committee.

ARTICLE VIII – OFFICERS

8.1 ELECTION At its first regularly scheduled meeting after each Board election, the Board shall elect from its number a president, vice-president, secretary and treasurer. Contested elections shall be by secret ballot. Officers shall serve for one (1) year or until their successors are elected. Officers may be re-elected.

8.2 REMOVAL Officers may be removed by a two-thirds (2/3) vote of the Board.

8.3 PRESIDENT The President shall be responsible for calling meetings of the Board, for securing a chairperson/facilitator for each meeting, and for establishing the agenda for meetings. The President shall sign all documents for the Market at the direction of the Board or

the membership.

8.4 VICE-PRESIDENT The Vice-President shall, in the absence or incapacity of the President, serve and act in the President's place.

8.5 SECRETARY The Secretary shall see that minutes of Board meetings are taken, shall supervise custody of all corporate documents, and shall countersign documents as required.

8.6 TREASURER The Treasurer shall have responsibility for all financial reports of the Market and shall supervise their preparation and accuracy. The Treasurer will report at least annually to the membership on the financial status of the Market and will countersign all documents in the absence or incapacity of the Secretary.

8.7 POWER OF DELEGATION The Board may, from time to time, hire or appoint other officers, employees, representatives and agents as it deems necessary and may grant them appropriate duties and powers.

ARTICLE IX – STAFF

10.1 EMPLOYEES The Board of Directors shall hire or delegate the hiring of employees as necessary to manage the affairs of the Market. The Board of Directors may hire an employee to perform a particular task.

ARTICLE X – OPERATIONS

11.1 FISCAL YEAR The fiscal year of the Market shall be set by the Board of Directors.

11.2 AUDITS The Board shall obtain an external review of the Market's books at the end of each fiscal year, and shall present the reviewed statements to the members at the Annual Meeting. The Board may require such other audits as it may, from time to time, determine as necessary.

11.3 BUDGETS The Board shall adopt an Annual Budget for the entire Market. The proposed annual budget for the Market shall be available to members on request during normal business hours for at least fourteen (14) days prior to its adoption.

11.4 SAVINGS Any net savings on operations may be rebated to members based on patronage or held as retained earnings for reserves or investment.

11.5 INVESTMENT Cash reserves shall be kept in low-risk interest bearing accounts or mutual funds, in credit unions, banks, savings and loan associations, and the like, as approved by the Board of Directors.

11.6 BORROWING The Market may borrow money and mortgage, pledge or otherwise grant interest in property owned by the Market at the discretion of the Board of Directors. Each such borrowing, other than borrowing from members under Board approved programs, must be

specifically approved by the Board of Directors.

ARTICLE XII – DISSOLUTION

12.1 VOTE REQUIRED The Market may only be dissolved by vote of two-thirds (2/3) majority of those voting in a duly called mail ballot vote of the membership, provided that no such vote will be effective unless twenty percent (20%) of the active members vote in the referendum.

12.2 DISTRIBUTION OF ASSETS Upon dissolution, the Directors shall provide for the payment of all business debts. Any remaining assets shall be distributed among membership.

ARTICLE XIII – AMENDMENTS

13.1 INITIATION OF AMENDMENTS Amendments to this agreement or to the Articles of Incorporation may be proposed by the Board of Directors or by petition of five percent (5%) of the membership.

13.2 REFERRAL OF AMENDMENTS TO THE MEMBERS The Board of Directors shall put all amendments which have been proposed according to Section 13.1 to a vote of the membership by mail ballot. The procedures of Section 4.7 shall apply. This ballot may be timed to coincide with the annual election of new Board members.

13.3 APPROVAL OF AMENDMENTS Amendments must be approved by a two-thirds (2/3) vote of those voting in a membership referendum, provided that no such vote shall be effective unless five percent (5%) of the members cast ballots.

ARTICLE XIV – INDEMNIFICATION

The Market shall indemnify, as fully as is possible under New York law, any person who is made or threatened to be made a party to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, because such person acted as a director or officer of the Co-op or because such person served at the request of the Co-op as a director or officer of any other enterprise, against expenses, attorney fees, judgments, fines, penalties and amounts paid in settlement which that person actually and reasonably incurs in such matter or its appeal. These indemnification rights are not exclusive of any other rights which such person may have. No repeal or amendment of this Article XIV shall adversely affect any person's right to indemnification with respect to acts or omissions occurring before the repeal or modification.

Village Bountiful LLC, PO Box 191, Unadilla, NY 13849

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