

BYLAWS OF THREE RIVERS MARKET, INC.

ARTICLE I. ORGANIZATION

Section 1.1 Name. The name of the organization is Three Rivers Market, referred to in these bylaws as “the Cooperative.”

Section 1.2 Principal Office. The headquarters of the Cooperative shall be in Knoxville, Tennessee.

Section 1.3 Incorporation. The Cooperative is incorporated under and in accordance with the provisions of Chapter 308B of the Minnesota Statutes.

ARTICLE II. DEFINITIONS

Patron. “Patron” means a person or entity who conducts patronage business with the Cooperative.

Member. “Member” means a person or entity reflected on the books of the Cooperative as the owner of governance rights of a Membership Interest of the Cooperative, and includes Patron and Nonpatron members.

Patron Member. “Patron Member” means a member who has invested in the Cooperative in accordance with the requirements established by the board.

Nonpatron Member. (Reserved)

Owner. “Owner” means a person or entity who owns at least one Membership Interest.

Membership Interest. “Membership Interest” means a Member’s interest in the Cooperative consisting of a Member’s financial rights, a Member’s right to assign financial rights, a Member’s governance rights, and a Member’s right to assign governance rights. Membership Interest include Patron Membership Interest and Nonpatron Membership Interest.

Patron Membership Interest. “Patron Membership Interest” means Membership Interest that requires the holder to conduct patronage business for or with the Cooperative, as specified by the Cooperative, to receive financial rights or distributions.

Nonpatron Membership Interest. “Nonpatron Membership Interest” means Membership Interest that does not require the holder to conduct patronage business for or with the Cooperative to receive financial rights or distributions.

ARTICLE III. MEMBERSHIP

Section 3.1 Eligibility. Any natural person, cooperative, for-profit business or non-profit corporation may be accepted into membership on terms established by the Board of Directors. This Cooperative shall not discriminate on social or political grounds, on the basis of race, national origin, creed, age, religion, sex, gender identity, disability, sexual orientation, marital or veteran status.

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Section 3.2 Member Types.

a. Patron Member

- 9/15/20
- i. Governance Rights
 - (A) Voting. Persons who are Patron Members have one vote in the affairs of the Cooperative. Entities that are Patron Members shall designate one person to vote on their behalf.
 - (B) Board of Directors. Persons who are Patron Members have the right to run for a seat on the Board of Directors. Entities that are Patron Members shall designate one person to run on their behalf.
 - ii. Financial Rights
 - (A) Patron Members have the right to terminate membership and request repurchase of Membership Interests as described in **Section 3.8 Termination of Membership**.
 - (B) Patron Members have the right to share in the annual allocation of surplus patronage earnings on the basis of the business done with or for such patrons as described in **Article V FINANCE**.
 - iii. Responsibilities
 - (A) Patron Members shall comply with the policies of the Cooperative.

b. Nonpatron Member (Reserved)

Section 3.3 Application for Patron Membership. To become a Patron Member of the Cooperative, persons or entities must do all the following:

- a. submit the form provided by the Cooperative to subscribe for Patron Membership Interests in the Cooperative upon the terms and conditions as may be set forth in the form,
- b. meet any and all requirements of membership established in or pursuant to these bylaws,
- c. submit an executed counterpart signature agreeing to be bound by these bylaws,
- d. submit timely payment of the purchase price for the number of Patron Membership Interests subscribed for in the form provided by the Cooperative, in accordance with the terms of the form provided by the Cooperative.

Section 3.4 Approval. The Board of Directors shall have full authority to approve or reject a Patron Membership application based on policies established and approved by the Board.

Section 3.5 Cooperative Property. A Patron Member has no interest in specific cooperative property. All property of the Cooperative is property of the Cooperative itself. While the Cooperative remains in effect or is continued, each Member agrees and waives its rights to have any cooperative property partitioned, or to file a complaint or to institute any suit, action, or proceeding at law or in equity to

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have any cooperative property partitioned, and each Patron Member, on behalf of itself and its successors, and hereby waives any such right.

Section 3.6 Information. Patron Members will receive, shall have access to, or may request a copy of the bylaws of the Cooperative, Articles of Organization, and other records as allowed by law.

Section 3.7 Business Transactions. Except as otherwise provided by applicable law, any Patron Member may, but shall not be obligated to, lend money to the Cooperative, act as surety for the Cooperative and transact other business with the Cooperative and has the same rights and obligations when transacting business with the Cooperative as a person or entity who is not a Patron Member.

Section 3.8 Termination of Membership.

- a. **Termination of Membership.** Patron Members or Owners may terminate their membership voluntarily upon notice to the Cooperative. The Board may elect to terminate a membership if a Patron Member or Owner dies, ceases to exist, or fails to comply with the requirements of these bylaws.
- b. **Repurchase of Membership Interest(s).** When a Patron Member or an Owner's Membership is terminated, the Board may elect to repurchase their Membership Interest(s). The Board may repurchase a Patron Member or an Owner's Membership Interest(s) by tendering to the Patron Member or Owner, or his, or her, or its heir, or successors in the appropriate case, the amount initially paid for the Membership Interest(s) together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due the Cooperative.
- c. **Limitations and Authority.** Regardless of the reasons for termination, any repurchase of Membership Interest(s) by the Cooperative shall be subject to the same terms and limitations governing all Membership Interest repurchases, including availability of replacement capital, the order in which withdrawal is requested, and the discretion of the Board of Directors to determine terms of repurchase. The Board retains the right to terminate all memberships as provided in these bylaws and to repurchase all Membership Interests.

3.9 Surrender of Membership Rights. Each Patron Member and/or and Owner of Membership Interest(s) agrees that Membership Interests can only be repurchased by the Cooperative and only upon approval by the Board of Directors.

Once the Cooperative repurchases a Patron Member or Owner's Membership Interest(s), that Patron shall have no right to any information or accounting of the affairs of the Cooperative, shall not be entitled to inspect the books or records of the Cooperative, shall not be entitled to vote on any matters reserved to the Patron Members, and shall not have any of the other rights of a Patron Member under these bylaws.

ARTICLE IV. CAPITAL STRUCTURE

Section 4.1 Membership Interests. The Membership Interests of the Cooperative shall consist of Patron Membership Interests and Nonpatron Membership Interests. The Board shall establish the required

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member investment in the form of Membership Interests to assure a sound level of capital funding for the Cooperative. Owners of Membership Interests shall have an Internal Capital Account in his or her name.

Section 4.2 Patron Membership Interests. Patron Membership Interests may be issued for cash to any natural person, cooperative, for-profit business or non-profit corporation meeting eligibility, application, and approval as described in Article III of these bylaws. Membership cards will be issued in lieu of certificates for Patron Membership Interests.

Section 4.3 Nonpatron Membership Interests. (Reserved)

Section 4.4 Dissolution or Liquidation of the Cooperative. Upon dissolution or liquidation of the Cooperative the debts and liabilities of the Cooperative shall first be paid according to their respective priorities. Members shall then be paid the purchase price of their Membership Interests. Any additional properties remaining after Members have been paid shall be distributed to another Cooperative doing business on a cooperative basis or a non-profit organization exempt from taxes under Section 501(c) of the Internal Revenue Code, as shall be determined by the Board of Directors.

ARTICLE V. FINANCE

Section 5.1 Financial Operation. This corporation operates on a cooperative basis and allocates surplus patronage earnings and losses to Patron Members on the basis of the business done with or for such patrons. Thus, in accordance with Subchapter T of the Internal Revenue Code, this corporation may declare a patronage dividend to be distributed among the Patron Members in accordance with the patronage business generated by each such member during the preceding fiscal year.

All surplus patronage earnings not in the opinion of the Board of Directors required in the conduct and/or expansion of the business of the corporation may each year be returned to the eligible Patron Members of the corporation in the proportion that the gross amount of business furnished by any eligible Patron Member bears to the gross amount of business done by the company, and the decision of the Board of Directors as to the percentage and/or amount to be returned to each member shall be conclusive.

Section 5.2 Patronage Dividend.

a. Generally. The surplus earnings of the Cooperative after paying taxes, interest on loans, and additions to the unallocated reserve may be allocated to eligible Patron Members as a patronage dividend. The patronage dividend for a member includes both their patronage refund for the year and the allocated equity credits that were added to their equity account. The patronage dividend, as determined by the Board of Directors, shall be paid in cash, property, or written notices of allocation as defined by Subchapter T of the Internal Revenue Code.

b. Eligibility. Patron Members who have paid the equity requirement in full or through a payment plan as of July 1 of the fiscal year, and retained membership through the date of allocation of patronage dividends, will be eligible for a patronage dividend.

c. Condition of Patron Membership. Acceptance of the patronage dividend is a condition of Patron Membership.

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d. Payouts to Patron Members. Payouts to eligible Patron Members from the income of a given tax year must be made in accordance with current tax law. Unless otherwise decided by the Board of Directors, the patronage dividend shall be credited to the Patron Members' Internal Capital Account. At least 20% of each year's patronage dividend must be paid in cash as a patronage refund. Patronage refunds not claimed by the due date, including checks not endorsed and cashed within ninety (90) days after the payment period, can be used by the Cooperative for other purposes.

Any allocations of such a nominal amount as to not justify the expense of distribution may, as determined by the Board, be excluded from distribution provided that they are not then later distributed to other Patron Members.

Section 5.3 Allocation of Net Loss. In the event the Cooperative shall incur a net loss in any fiscal year, such loss may be charged against retained savings or other unallocated Patron Member or Owner equity account. If the net loss exceeds such amounts, or in any event if the Board so determines, the amount of such loss may either be carried forward to offset adjusted net savings of subsequent fiscal years or allocated to Patron Members or Owners in the same manner as for adjusted net savings except that such allocation shall not exceed the total of invested capital. Any such allocated net loss shall be charged in the sole discretion of the Board of Directors to a capital reserve and/or retained patronage rebates of prior fiscal years and/or against patronage rebate allocations of subsequent fiscal years. Allocated net losses which are not so offset may be charged against the carrying value of Membership Interests only upon termination of Membership. Allocated net losses shall not otherwise be assessed to or collected from Patron Members or Owners.

Section 5.4 Equity Capital. The Board of Directors shall manage the Cooperative's equity capital in a way to preserve and build upon the Cooperative's financial position while also allowing for redemptions of equity as and when the Cooperative has the financial strength to redeem equity. The Board of Directors has the sole discretion for the redemption of any equity. No equity redemption policy shall be interpreted to require any expenditure of equity capital and the Board of Directors retains all right and power to the final review and approval of any redemption of any type of equity.

Section 5.5 Consent to Take Patronage Distributions into Income. Each Patron Member of this Cooperative as of the effective date of this bylaw who continues as a Member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. § 1388), and which are received by the Patron Member from this Cooperative, will be taken into account by the Patron Member at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a) in the taxable year in which the written notices of allocation are received by the Member.

ARTICLE VI. BOARD OF DIRECTORS

Section 6.1 Types of Directors. The governance of this Cooperative and oversight of the management shall be vested in a Board of Directors, the members of which must be elected by ballot by the Members from their own number.

- a. **Directors from Patron Members.** The number of Directors serving the Cooperative shall be nine (9). All Directors must be Patron Members. The Patron Members shall be

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entitled to elect all nine Directors from the Patron Members. Directors may fill vacated positions on the Board of Directors through appointment, as per **Section 6.7 Replacement**.

b. **Directors from Nonpatron Members (Reserved)**

Section 6.2. Nominations. The Board may establish a procedure to solicit and qualify applications for nomination to the Board in accordance with policies established by the Board.

Section 6.3 Board Eligibility. An individual must be a Member in good standing for at least one (1) year to be eligible to run, or be appointed, for the Board; provided, however, that the following individuals are prohibited from serving on the Board:

- a. A current employee of the Cooperative.
- b. A former employee of the Cooperative who is within two years of their last date of employment.
- c. Those with inherent personal, business, or professional conflicts of interest with current employees or Directors, including but not limited to spouses or domestic partners.
- d. A service provider or Member who does business with the Cooperative, except in the same manner as other Members generally do business with the Cooperative.

Section 6.4 Terms. Except as otherwise provided herein, all Directors shall serve three-year terms and until their successors are duly elected and qualified, or until their earlier death, resignation, or removal. In order to preserve continuity of governance and the harmonious transition of the standing Board of Directors to the elected Board of Directors, the terms of the Directors shall be staggered. Directors may not be elected to more than two consecutive three (3)-year terms.

Section 6.5 Resignation. Any Director may resign at any time. A resignation shall be made in writing and shall take effect at the time specified therein or, if no time be specified, then at the time of its receipt by the Chair or the Secretary of the Cooperative. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 6.6 Removal. A Director may be removed for cause by the affirmative vote of two-thirds of the remaining Directors then serving at a regular or special meeting called by the Board. Notice of such meeting shall be given to the Members and shall state that the removal will be discussed and acted upon at the meeting, and must also be provided to the Director in question at least ten (10) days in advance of the meeting. The Director in question has a right to be heard at the meeting.

Section 6.7 Replacement. Any vacancy occurring on the Board of Directors may be filled by appointment through an affirmative vote of a majority of the remaining Directors. A Director appointed by the Board of Directors to fill a vacancy shall serve for the remainder of the term of the vacated position.

Section 6.8 Compensation and Reimbursement. The Board of Directors may fix the compensation, if any, of Directors. Directors shall also be entitled to reimbursement for actual expenses, approved by the Board, incurred in attending meetings of the Board of Directors or other business of the Cooperative. All

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decisions regarding Directors compensation shall be announced to the Membership at the next regular or special meeting of the Membership.

Section 6.9 Conflicts of Interest. Directors shall be under obligation to disclose their actual or potential conflicts of interest. Directors having such a conflict shall absent themselves from discussion and decision of any related matter under consideration by the Board, unless otherwise determined by the Board.

Section 6.10 Liability. A Director is personally liable to the Cooperative or its Members for monetary damages for breach of fiduciary duty in the following circumstances:

- a. For a breach of the Director's duty of loyalty to the Cooperative or its Members;
- b. For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c. For a transaction from which a Director derived an improper personal benefit.

Section 6.11 Officers. The officers of this Board of Directors shall be a Chair, Vice Chair, a Secretary, and a Treasurer, who shall be elected annually by and from the Directors. The offices of Secretary and Treasurer may be combined, and when so combined, the person filling such office shall fulfill the duties of both offices and shall be termed "Secretary-Treasurer."

- a. **Chair.** The Chair shall:
 - i. Preside over all meetings of the Cooperative and of the Directors;
 - ii. Sign as Chair, with the Secretary, all notes, deeds and other conveyances of real estate.
- b. **Vice Chair.** In the absence or disability of the Chair, the Vice Chair shall perform the duties of the Chair.
- c. **Secretary.** The Secretary will:
 - i. Act as records officer to ensure that complete records of the meetings of the Cooperative and of the Board of Directors are kept;
 - ii. Sign as Secretary, with the Chair, all notes, deeds, and other conveyances of real estate;
 - iii. Submit reports to the Members at the annual meeting covering the business of the Cooperative for the previous fiscal year that show the condition of the Cooperative at the close of the fiscal year;
 - iv. Perform such other duties as may be required of him or her by the Cooperative or the Board of Directors.
- d. **Treasurer.** The Treasurer shall:
 - i. Act as financial officer to perform such duties pertaining to his or her office as may be required by the Board of Directors.

Section 6.12 Duties and Authority

- a. **Management of Business.** The Board of Directors shall cause the Cooperative to conduct its business and operations separate and apart from that of any Member or

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Director. The Board of Directors shall take all actions which may be necessary or appropriate for 1) the continuation of the Cooperative's valid existence under the laws of the State of Minnesota and each other jurisdiction in which such existence is necessary to protect the limited liability of Members or to enable the Cooperative to conduct the business in which it is engaged, and 2) the accomplishment of the Cooperative's purposes, including the acquisition, development, maintenance, preservation, and operation of Cooperative property in accordance with the provisions of these bylaws and applicable laws and regulations. Each Director shall have the duty to discharge the foregoing duties in good faith, in a manner the Director believes to be in the best interests of the Cooperative, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. No Director shall be under any other duty to the Cooperative or the Members to conduct the affairs of the Cooperative in a particular manner.

The Board of Directors shall select, employ, and fix the compensation of the General Manager of the Cooperative, who shall not be a member of the Board of Directors.

The Board of Directors shall cause the Cooperative to provide for insurance of the property of the Cooperative, or property that may be in the possession of the Cooperative and not otherwise adequately insured by the member of the property. In addition, the Board of Directors shall cause the Cooperative to provide for insurance covering liability of the Cooperative to all employees and the public, in commercially reasonable amounts as is customary for businesses similar to the Cooperative. The Cooperative may purchase and maintain insurance on behalf of any person in the person's official capacity against any liability asserted against and incurred by the person in or arising from that capacity, whether or not the Cooperative would otherwise be required to indemnify the person against the liability.

- b. **Audits or Reviews.** The Board of Directors shall review all financial statements prepared and presented by management at their regular meetings but no less than four times a year. The Board may, in addition, have the financial information audited or reviewed at least annually by a certified public accountant. Such audit or review shall be made between the date of the close of the fiscal year and the date of the annual meeting of Members, and a report of findings, containing at least a statement of assets and liabilities showing the financial condition of this cooperative at the close of the fiscal year and a statement of income and expenses for the year, shall be submitted to the Members at the annual meeting.
- c. **Governance and Delegation.** The Board of Directors governs and delegates the business of the Cooperative through Policy Governance®. Administrative and operational aspects of the Cooperative are delegated to the General Manager through written policy.
- d. **Authority.** The Board of Directors may adopt policies, rules, and regulations and may take actions, as it shall deem advisable in furtherance of the purposes of the Cooperative, provided that the Board of Directors shall not act in a manner contrary to these bylaws.

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The Board of Directors shall take action by the affirmative vote of the Directors present at a duly held meeting of the Board at which a quorum is present.

The Board of Directors shall not have authority to approve, authorize or take the following actions with respect to the Cooperative without the approval or consent of a majority in interest of the Members:

- i. sell, lease, exchange or otherwise dispose of all or substantially all of the assets of the Cooperative unless the provisions of Chapter 308B of the Minnesota Statutes are met;
- ii. merge or consolidate the Cooperative with another person;
- iii. make any change in the business purpose (as stated in the Articles of Organization) of the Cooperative; or
- iv. voluntarily dissolve the Cooperative, unless the provisions of Chapter 308B of the Minnesota Statutes are met.

Except these matters for which approval of the Members is required by these bylaws and/or non-waivable provisions of Chapter 308B of the Minnesota Statutes, the powers and privileges of the Cooperative shall be exercised by or under the authority of, and the business and affairs of the Cooperative shall be managed under the direction of, the Board of Directors and not by the Members. No Member, other than a Member acting in his or her capacity as an officer of the Board of Directors or as an officer of the Cooperative, has the power or authority to act for or on behalf of the Cooperative, to bind the Cooperative by any act, or to incur any expenditures on behalf of the Cooperative, except with the prior consent of the Board of Directors. Without limiting the foregoing authority of the Board of Directors to manage the business and affairs of the Cooperative or the actions the Board of Directors may take in exercising the powers and privileges of the Cooperative, the Board of Directors shall have the right to make the following decisions and take the following actions:

- i. Acquire by purchase, lease, or otherwise any real or personal property;
- ii. Operate, maintain, finance, improve, construct, own, grant operations with respect to sell, convey, assign, mortgage, or lease any real estate and any personal property;
- iii. Execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, and operation of the business or affairs of the Cooperative, including executing amendments to these bylaws in accordance with the terms of these bylaws;
- iv. Borrow money and issue evidences of indebtedness, and secure the same by mortgage, pledge, or other lien on any or all of the Cooperative's assets;
- v. Execute any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Cooperative's assets;
- vi. Prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the assets of the Cooperative and in connection therewith execute any extensions or renewals of encumbrances on any or all of the assets;

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- vii. Care for and distribute funds to the Members by way of cash income, return of capital, or otherwise, all in accordance with the provisions of these bylaws, and perform all matters in furtherance of the objectives of the Cooperative or these bylaws;
- viii. Hire or contract on behalf of the Cooperative for the employment and services of employees and/or other independent contractors, such as consultants, lawyers and accountants, and delegate to the persons the duty to manage or supervise any of the assets or operations of the Cooperative;
- ix. Engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to the Cooperative assets and Director liability), as may be lawfully carried on or performed by a limited liability cooperative under the laws of each state in which the Cooperative is then formed or qualified;
- x. Take, or refrain from taking, all actions not expressly proscribed or limited by these bylaws, as may be necessary or appropriate to accomplish the purposes of the Cooperative;
- xi. Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Cooperative, the Members or the Directors in connection with activities arising out of, connected with, or incidental to these bylaws, and to engage counsel or others in connection therewith;
- xii. Purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of domestic or foreign corporations, cooperatives, general or limited partnerships, other limited liability companies, or individuals or direct or indirect obligations of the Shared States or of any government, state, territory, government district or municipality or of any instrumentality of any of them;
- xiii. Subject to **Article III**, agree as to the form and other terms and conditions of a potential Member's capital contribution to the Cooperative and cause the Cooperative to issue Membership Interests in consideration of the capital contribution; and
- xiv. Indemnify a Member or Director or officer, or former Member or Director or officer, and to make any other indemnification that is authorized by these bylaws in accordance with provisions of Chapter 308B of the Minnesota Statutes.

ARTICLE VII. MEETINGS

Section 7.1 Annual Meeting. The annual meeting of the Members shall be held in the territory served by this Cooperative every year at such date and time as may be determined by the Board of Directors.

Section 7.2 Notice of Meeting. Notice shall be given by the Board of Directors of all meetings of Members by publication in a legal newspaper published in the county of the principal place of business of the Cooperative, or by publication in a house newsletter, regularly published by or on behalf of the Cooperative and circulated generally among its Members, or by mailing a notice thereof to each

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Member at his, her or its last known address, at least two weeks previous to the date of the meeting. Compliance of this provision shall be documented by preparing a copy of the notice given to Members with certificate of mailing or publication attached. The failure of any Member to receive any such notice of the annual or special meeting of the Members shall not invalidate any action that may be taken by the Members at any such annual or special meeting.

Section 7.3 Special Meetings. The Board of Directors shall cause a special meeting of the Members to be called upon a written petition of at least twenty percent (20%) of the Members, or upon a majority vote of the Board of Directors. If a special meeting is called by Member petition, the notice of the time, place and purpose of the special meeting shall be issued to Members within ten (10) days from the receipt of the petition by the Chair, and the special meeting shall be held within thirty (30) days from the receipt of the petition by the Chair. No business shall be considered at the special meeting except as has been mentioned in the call and included in the notice of the meeting.

Section 7.4 Voting by Members.

a. **Generally.** The Board of Directors may authorize a ballot by mail or otherwise for voting on all matters that Members are entitled to vote upon, including voting to elect Directors. Each Member shall have one vote as per Article II. There shall be no proxy voting.

b. **Mail Ballots and Voting Periods.** If authorized, mail ballots shall be sent to all Members with the notice of a meeting. If a ballot is received on or before the date of the meeting, it shall be accepted and counted unless the Board of Directors has established a voting period. If the Directors have established a voting period, the ballot received on or before the close of the business on the final day of the voting period shall be accepted and counted.

c. Member Eligibility for Voting.

- i. **Determination by Record Book Closure.** For the purpose of determining Members entitled to notice of, or entitled to vote at, any meeting of Members, the Board of Directors may provide that the record books shall be closed for a stated period not exceeding fifteen (15) days immediately preceding the meeting. The Board of Directors may also provide that the record books be closed for a stated period not exceeding fifteen (15) days in order to make a determination of Members for any other proper purpose.
- ii. **Determination by Fixed Date.** In lieu of closing the record books, the Board of Directors may fix in advance a date as the record date for any determination of Members, the date in any case to be not more than sixty (60) days and in the case of a meeting of Members, not less than fifteen (15) days prior to the date of which the particular action requiring the determination of Members is to be taken.
- iii. **Determination by Mailing Date.** If the record books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed, as the case may be, shall be the record date for the determination of Members.

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Section 7.5 Presiding officer. The Chair or his or her designee of the Cooperative shall preside at all meetings of the Members and Directors.

Section 7.6 Quorum, Member Meetings. At any regular or special meeting of the Members, a quorum necessary for the transaction of business shall be at least ten percent (10%) of the total number of holders of Membership Interests of the Cooperative, except that when the number of Members shall exceed five hundred, fifty (50) Members present shall constitute a quorum. Only Members in actual attendance at the meeting shall count towards a quorum, except for matters submitted to the Membership by mail, in which case mail ballots cast shall be counted towards fulfillment of the quorum requirement.

Section 7.7 Quorum, Directors' Meetings.

- a. **Meetings Generally.** Regular meetings of the Board of Directors shall be held as determined by the Board of Directors. Board of Directors' meetings shall be held at the principal office of the Cooperative or at another place, either within or outside of the State of Tennessee, as shall be designated by the person calling the meeting and stated in the notice of the meeting or a duly executed waiver of notice thereof.
- b. **Quorum.** A majority of the Directors in office shall constitute a quorum necessary for the transaction of business at any regular or special meeting of the Board of Directors. If less than a quorum is present, those Directors present may adjourn the meeting from time to time until a quorum shall be present. Directors may participate in a Board of Directors' meeting by means of video, audio conferencing, or similar electronic communications equipment whereby all Directors participating in the meeting can hear each other. Video, audio, or similar electronic presence of a Director shall count towards quorum.
- c. **Notice of Meetings.** Oral or written notice of each meeting of the Board of Directors, stating the place, day and hours of the meeting, shall be given to each Director at least three (3) days before the day on which the meeting is to be held. The notice or waiver of notice of any special or regular meeting of the Board of Directors does not need to specify the business to be transacted or the purpose of the meeting.
- d. **Waiver of Required Notice; Attendance for Objection Not a Waiver.** Whenever any notice is required to be given to a Director under the provisions of these bylaws, a waiver thereof in writing signed by the Director, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Attendance of a Director at any meeting of the Board of Directors shall constitute waiver of notice of the meeting by the Director, except where the Director attends a meeting for the express purpose of stating his or her objection to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.8 Special Directors' meeting. Special meetings of the Board of Directors may be called by the Chair or by three (3) or more Directors of the Board. Each Director shall be duly notified of all such meetings as provided in **Section 7.7.c Notice of Meetings.**

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Section 7.9 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of the Directors may be taken by written action if consent in writing, stating the action to be taken, is signed by all Directors and filed within the minutes.

Section 7.10 Advance Written Consent or Opposition. A Director of the Cooperative may give advance written consent or opposition to a proposal to be acted on at a Board meeting. If the Director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the Director has consented or objected. If the proposal acted on is not substantially the same or does not have substantially the same effect, the Director's vote shall be recorded as an abstention.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 Fiscal year. The fiscal year of this Cooperative shall begin on the first day of July and close on the last day of June of each year.

Section 8.2 Amendments.

- a. The Board may amend the bylaws at any time to add, change, or delete a provision, unless:
 - i. The Articles of Organization or the bylaws reserve the power exclusively to the Members in whole or part; or
 - ii. A particular bylaw expressly prohibits the Board from doing so.
- b. Any amendment of the bylaws will be distributed to the Board at the meeting prior to the meeting on which they are voted. Any amendment of the bylaws by the Board must be distributed to the Members no later than ten (10) days after adoption and the notice of the annual meeting of the Members must contain a notice and summary or the actual amendments to the bylaws adopted by the Board.
- c. Members may propose and bring for a vote an amendment of the bylaws in accordance with policies established by the Board. The Board shall publicize any proposed amendment of the bylaws by Members in full to the Members not less than four (4) weeks prior to the amendment voting process, which shall be held at a time and in a manner determined by the Board.
- d. These bylaws shall not be amended without the consent of each Member adversely affected if the amendment would modify the limited liability of a Member, or alter the interest of a Member in profits, losses, other items, or any distributions.

Section 8.3 Dissolution. This Cooperative may be dissolved by a two-thirds vote of the Members.

Section 8.4 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 such

BYLAWS OF THREE RIVERS MARKET, INC.

extent and shall be modified to conform to such statute or rule of the law without affecting the validity or enforceability of any other provision of these bylaws.

Section 8.5 Indemnification. This Cooperative shall indemnify each person who is or has been a Director, officer, or employee of the Cooperative, and each person who is serving or who has served at the request of this Cooperative as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, judgments, fees and amounts paid in settlement, actually and reasonably incurred by him or her to the fullest extent of his or her right to indemnity under current law.

CERTIFICATION:

I, Caitlin Seidler, the duly appointed, qualified and acting Secretary of Three Rivers Market, do hereby certify that this is a true, correct and compared copy of the original Bylaws of Three Rivers Market as adopted by the Board of Directors at a meeting of the Board of Directors held on the 13th day of August, 2020.



Signature

8/15/20

Date