

**Belfast Cooperative Bylaws**  
Amended 09/24/2020

**Table of Contents**

ARTICLE I. General..... 1

ARTICLE II. Member-Owners ..... 1

ARTICLE III. Member-Owner Meetings and Decision Making ..... 2

ARTICLE IV. Board of Directors ..... 3

ARTICLE V. Fiscal Year ..... 4

ARTICLE VI. Patronage Dividends..... 4

ARTICLE VII. Execution of Documents..... 5

ARTICLE VIII. Dissolution ..... 5

ARTICLE IX. Amendments..... 5

**ARTICLE I. General**

**1.1 Name.** The name of the organization shall be the Belfast Cooperative (henceforth “the Co-op”).

**1.2 Ownership and purpose.** The Co-op shall be owned by its member-owners. The purpose of the Co-op is (a) to operate an economically viable, member-owned and –controlled organic and natural foods and products distribution system, in a socially and environmentally responsible manner, (b) to provide a forum for education and action concerning nutrition, the food distribution system, community organizing and related issues, and (c) to voluntarily aid, support and assist by gifts, contributions or other means organizations in the community and groups of similar purpose.

**1.3 Maine State Law.** The Belfast Co-op is organized under, and governed by, Maine Revised Statutes, Title 13, Chapter 85, Subchapter 1: Consumer Cooperatives.

**ARTICLE II. Member-Owners**

**2.1 Eligibility.** Membership in the Co-op shall be open to any natural person, cooperative, or non-profit organization that is in accord with its purposes and is willing to accept the responsibilities of ownership. A member-owner that is a cooperative or non-profit organization must name a single individual as an authorized representative.

**2.2 Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.

**2.3 Admission and Equity.** Any eligible person or entity 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”).

**2.4 Rights.** Member-owners have the right to elect the Co-op’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. Each member-owner shall have one vote and no more on all matters submitted to member-owners. The rights of member-owners shall apply only to member-owners in good standing. All rights of member-owners are subject to applicable state law, the bylaws as they may be amended from time to time, and to policies and decisions of the Co-op or the Board.

**2.5 Responsibilities.** Member-owners shall keep current in equity investments due to the Co-op, shall keep the Co-op informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Co-op or the Board. A member-owner who upholds these responsibilities is considered a member in good standing.

**2.6 Termination of Membership.** A member-owner may terminate their membership at any time by written notice to the Co-op.

Where a period of more than three years has elapsed since a member-owner’s last contact with the Co-op, either in the form of patronage or response to an inquiry from the Co-op, the Co-op will attempt to contact the member-owner using the last known address, email, and phone number to determine if the person wishes to remain a member-owner. If the Co-op is unable to contact the member-owner or does not receive a response within ninety (90) days to a message left in a contact attempt, the Co-op will assume the member-owner wishes to voluntarily terminate their membership. A member-owner whose termination is effected in this manner may be fully reinstated to membership with no loss of equity or benefits by contacting the Co-op at any time and stating a desire to remain a member-owner.

Where the Co-op receives notice of the death of a member-owner, the Co-op will effect termination of the membership of that member-owner.

**2.7 Return of Equity.** Equity may be returned upon termination of membership in the Co-op, under terms determined by the Board, provided that the Co-op has determined that the equity is no longer needed by the Co-op.

**2.8 Abandoned Equity.** If a member-owner’s membership is terminated and the member-owner (or, in the event of death, the member-owner’s estate) fails to request return of their equity and patronage dividend within sixty (60) days of notice of termination, then the equity and patronage dividend amount allocated to that member-owner will be considered allocated Abandoned Equity and recorded as part of an unallocated capital reserve. Abandoned Equity is defined as a capital investment in the Co-op not currently allocated to a member-owner.

**2.9 Non-transferability.** Membership rights and member equity may not be transferred in any manner.

**ARTICLE III. Member-Owner Meetings and Decision Making**

**3.1 Annual Meeting.** A meeting of member-owners shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on governance, operations and finances, to review issues that vitally affect the Co-op, and to transact such other business as may properly come before the meeting.

**3.2 Special Meetings and Ballot Votes.** The Board may call special meetings or ballot votes of member-

owners. The Board shall call a special meeting or ballot vote if presented with a written petition signed by 10% of member-owners. In the case of a petition, notice of the special meeting or ballot vote will be issued within ten (10) days after a presentation of a valid petition to the Board. No business shall be conducted at a special meeting except that specified in the notice of meeting.

**3.3 Notice of meetings.** Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Co-op and communicated to member-owners not less than twenty-one (21) days prior to the date of the meeting or any ballot vote deadline.

**3.4 Voting.** Voting on all matters that member-owners are entitled to vote upon (see Section 2.4) will be accomplished through paper or electronic ballots, or both, as authorized by the Board. Unless otherwise specified in these bylaws, notice of the vote shall be posted in a conspicuous place at the Co-op and communicated by written notice delivered to member-owners' postal or electronic address, not less than 21 days prior to the end of the election period. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by law, all questions shall be decided by a vote of a majority of the member-owners voting thereon. Proxy voting is not allowed.

**3.5. Quorum.** At any meeting of the member-owners, or for any vote of the member-owners, a quorum necessary for decision-making shall be 10% of the total number of member-owners in good standing.

#### **ARTICLE IV. Board of Directors**

**4.1. Powers.** Except for matters for which member-owner voting is required (see Section 2.4), the Board shall have full power to govern the Co-op, including, but not limited to: hiring management; establishing compensation, if any, for the Board; and assuring that the mission of the Co-op is articulated and carried out.

**4.2. Directors: Number, Eligibility.** The Board will consist of no fewer than nine (9) and no more than thirteen (13) member-owners in good standing, except during those interim periods during which any Board seat becomes vacant prior to being filled as provided for hereinafter. A person with a conflict of interest so continuing and pervasive that they are unable to effectively fulfill the responsibilities of a director with the Co-op shall not be eligible to serve as a director. Neither the General Manager nor any employee reporting directly to the General Manager is eligible to serve on the Board. No more than three (3) employee-owners may be on the board at any time.

**4.3 Elections.** Elections shall occur annually, in a manner prescribed by the Board. Among the winning candidates, the top vote getters will be elected to the longer terms open. Ties will be decided by a coin flip. Any candidate running for the Board must receive at least 25% of the total validated ballots cast to be declared elected.

**4.4 Terms.** Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. No Director may serve more than nine (9) consecutive years.

**4.5 Vacancies.** Any vacancy among Directors may be filled through appointment by the Board. A Director so appointed shall be appointed until completion of the next election and seating of Directors.

**4.6 Removal of a Director.** A Director may be removed by decision of 2/3 of the remaining Directors for

conduct contrary to the Co-op or failure to follow Board policies. A Director may also be removed by decision of member-owners in accordance with the petition and voting provisions of these bylaws (see Article 3.2).

**4.7 Meetings.** The Board shall hold regular meetings and may hold special or emergency meetings at such time and place as it shall determine. All Directors shall be notified in writing of said meeting at least seven (7) days in advance, unless the Board agrees to a shorter notice. The Board will provide reasonable notice of all board meetings to member-owners. The Board may gather for social or educational events without notice to member-owners. No action will be taken by the Board except at a meeting for which notice has been given. Attendance at any meeting constitutes waiver of notice of that meeting. Meetings shall be open to all member-owners unless the Board decides to go into executive session regarding confidential or proprietary matters.

**4.8 Minutes.** Minutes of all regular, special, and emergency meetings shall be posted at the Co-op in a conspicuous and consistent place within one week of their adoption by the Board.

**4.9 Quorum.** A majority of the current Directors shall constitute a quorum, and no decisions shall be made without a quorum.

Meetings may be attended remotely when in-person attendance is not possible, using communications equipment that allows all persons participating in the meeting to hear each other.

**4.10 Conflicts of Interest.** Directors shall be under an 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. Directors may not do business with the Co-op except in the same manner as other member-owners generally do business with the Co-op or under other conditions that are procedurally defined to avoid preferential treatment.

**4.11. Officers.** The Board will designate officers as necessary for the effective conduct of Board business, consistent with any requirements of state law. Officers will be designated at the first regular meeting held after completion of the annual Director election process.

**4.12. Indemnification.** The Co-op shall indemnify each present or past Director, and may by action of the Board indemnify any other person acting or previously acting on behalf of the Co-op, for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director or acting on behalf of the Co-op, to the full extent allowed by law, except to the extent the Director or other person acted in bad faith. An indemnified Director or other person shall not concede or settle or compromise any claim without the prior written approval of the Co-op, which shall not be unreasonably withheld.

**ARTICLE V. Fiscal Year**

The fiscal year of the Co-op shall be fixed by resolution of the Board of Directors.

**ARTICLE VI. Patronage Dividends**

**6.1 Allocations to member-owners.** The Co-op shall allocate and distribute to member-owners the net profit from business, proportional to the monetary value of each member-owner's patronage, in such a manner as

to qualify the distributions as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles.

The Board shall determine when and how such allocations, retentions, and distributions will be made.

**6.2. Consent of member-owners.** By obtaining or retaining membership in the Co-op, each member-owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Co-op.

**ARTICLE VII. Execution of Documents**

The Board may designate by office or position which Directors, managers, or other employees are authorized to execute various types of legal and financial documents on behalf of the Co-op.

**ARTICLE VIII. Dissolution**

A vote to dissolve the Co-op shall require a vote of two-thirds (2/3) of the full membership of the Co-op. By a vote of the majority of the member-owners voting, three or more member-owners shall be designated as trustees, who shall, on behalf of the Co-op and within a time fixed in their designation or within any extension thereof, liquidate its assets and shall distribute them in the manner and order required by state law.

**ARTICLE IX. Amendments**

These bylaws may be amended or repealed in whole or in part by a majority of the member-owners who participate in the vote. An amendment may be proposed by decision of the Board or by petition of at least ten percent (10%) of member-owners. The proposed amendment shall be publicized to the membership not less than thirty (30) days prior to the start of the voting process, which shall be held at a time and in a manner determined by the Board.