

Bylaws

Article I. Name

Section I.1 The name of this cooperative is San Juan Islands Food Hub and for convenience shall be referred to hereinafter as the “Food Hub” or the “Cooperative,” with like effect. This organization is a cooperative association pursuant to Chapter 23.86 of the Revised Code of Washington.

Article II. Mission

Section II.1 The mission of the Food Hub shall be to increase the production and sales of local food in San Juan County to support a viable agricultural economy, strengthen food security, and promote access to healthy, sustainably grown food.

Section II.2 The Food Hub is an online marketplace that connects local agricultural producers with buyers and facilitates aggregation and distribution of local products. A food hub in San Juan County will improve market access for producers and save buyers time and money.

Section II.3 The Food Hub will streamline sales and facilitate market coordination, storage, aggregation, and distribution of local agricultural products in order to address the most significant challenges faced by producers and purveyors, as identified in the 2016 San Juan County Food Hub Feasibility Study. The Food Hub will enhance the economic viability of agriculture in San Juan County, while also diversifying and strengthening the local economy.

Section II.4 The Food Hub is formed as a multi-stakeholder cooperative formally to allow governance by representatives from across the San Juan County food system.

Article III. Membership

Section III.1 Membership requirements shall include the following and such other requirements as may be determined by the Board of Directors (“Board”):

- (1) An applicant for membership must be approved by the Board to become a Member. The Board reserves the right to deny membership to any applicant.
- (2) Each Member must purchase one full share of Food Hub common stock at such price as the Board shall determine from time to time.
- (3) To sell through the Food Hub, a producer must be a Member.
- (4) Each Producer Member must agree to follow food safety and production practice standards, as applicable, which may be adopted by the Board from time to time, and each Member must have a written food safety plan.

- (5) Each Producer Member must provide proof of liability insurance as to their operations, in an amount determined by the Board.
- (6) Membership may be terminated by the Board if it is determined that the Member in question has conducted activities contrary to the best interests of the Food Hub or has violated the terms of the Food Hub's Articles of Incorporation, or these Bylaws, or Food Hub-adopted policies and practices. Membership termination shall be determined following a hearing before the Board, if requested, upon a two-thirds (2/3) majority vote of the Directors. Upon such termination, such terminated Member's right to vote and otherwise participate in the Food Hub shall cease, and the Food Hub shall have the right to immediately redeem such terminated Member's share of common stock for the actual consideration paid to the Food Hub. Upon such redemption, such membership and all rights incident to membership (except any interest such terminated Member may have in the Association's preferred stock) shall be terminated.

Section 3.02 Membership Classes. There shall be four classes of membership in the Food Hub.

- (a) Producers: A Producer produces agricultural products for sale through the Food Hub.
- (b) Buyers: A Buyer purchases agricultural products through the Food Hub for resale and/or for value-added processing.
- (c) Community Partners: A Community Partner is any individual, group, or organization who works to support local and regional agricultural missions and who supports the Mission of the Food Hub. The number of Community Partner members may not exceed the number of Producer members.
- (d) Nonvoting out-of-county Vendor: An out-of-county Vendor accepted into the Food Hub to sell product is considered a nonvoting member of the Food Hub. A nonvoting Vendor does not purchase a share of common stock but does pay annual dues. All references in these Bylaws to "member" and voting rights do not apply to a nonvoting member.

Section III.2 Membership Dues.

- (a) Annual dues may be established by a majority of the Members voting at an Annual Meeting or Special Meeting. Dues may vary by Membership Class.
- (b) Producers must pay annual dues in order to be considered to be eligible to sell products through the Food Hub. First year annual dues for Producers may be waived.

Article IV. Member Meetings

Section IV.1 Annual Meeting. The Annual Meeting of the Members of the Food Hub shall be held in San Juan County, Washington, and shall be held at such hour and on such day during the month of January or February of each year as shall be determined by the Board of Directors. If, for any reason, the Annual Meeting of the Members shall not be held on the designated date, an

Annual Meeting may be called for a different date and held upon the giving of four (4) week's notice.

Section IV.2 Special Meeting. A Special Meeting of the Members may be called at any time by the President, a majority of the Board of Directors, or not less than twenty-five percent (25%) of the Members of the Food Hub, to be held in San Juan County, Washington, at a time and place as determined by the Board. A Member-requested Special Meeting shall be held within 45 days of the request. The agenda of the Special Meeting shall be restricted to the topic(s) for which the meeting was called.

Section IV.3 Notification. Each Member entitled to vote shall be notified either by mail or email at least ten (10) days prior to any Annual or Special Meeting.

Section IV.4 Voting and Quorum. Each Member is entitled to one vote. Thirty-five percent (35%) or more of the Members entitled to vote, represented in person or by authorized representative as provided herein, will constitute a quorum for the transaction of business at a meeting of the Members. However, elections to the Board shall not be postponed for lack of a quorum. Once a quorum has been established, the quorum shall be presumed for the remainder of the meeting.

Section IV.5 Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a written consent setting forth the action so taken is signed by all Members entitled to vote with respect to the matter under consideration. The written consent shall be inserted in the minutes book as if it were a meeting of the members. Written consent as referred to herein may be by electronic transmission such as email.

Section IV.6 Authorized Representative. A Member who is unable to attend a meeting in person shall be permitted to appoint an Authorized Representative to attend and cast a vote in his or her place, as set forth herein. The Member must be unable to attend in person and, in such event, may appoint either a family member, an employee of the Member, or another Food Hub Member. A Member shall submit written notice to the Board not less than three (3) days prior to the meeting in question, verifying the Member's inability to attend and identifying Member's Authorized Representative. Upon meeting the requirements of this section, the Authorized Representative so appointed shall be deemed a Proxy of Member and shall be entitled to cast the Member's vote at the meeting.

Article V. Board of Directors

Section V.1 General Power. The general powers, business, and property of the Food Hub shall be exercised, conducted, and controlled by a Board of Directors. Each voting Director shall

be entitled to one vote, and all questions, except as otherwise provided by law or these Bylaws, shall be controlled by a majority vote of those present at a duly constituted meeting of the Board.

- (a) The Board of Directors shall have the general management and control of the business and affairs of the Food Hub and shall exercise any and all of the powers that may be exercised or performed by the Food Hub under the Law, the Articles of Incorporation, and these Bylaws. The Board may make and enforce such rules and regulations as it deems necessary, conducive, incidental, or advisable to accomplish or promote the object and purposes of the Food Hub and the use of its property, assets, and facilities.
- (b) The Board may appoint, employ, terminate, discharge, fix the compensation and provide for the duties and powers of such officers, agents, and employees as, in the judgment of the Directors shall be advisable, subject to the requirements and provisions of these Bylaws.

(c) Composition. The business and affairs of the Food Hub shall be managed by a Board of five (5) to seven (7) Directors. Initial governance of the Food Hub shall be the responsibility of a Steering Committee of five (5) individuals. The Steering Committee shall serve only from the first organizational meeting until the first Annual Meeting of Members, at which time the Members shall elect a Board of Directors. At least a majority of the Board composition shall be Directors from the Producer Membership Class.

Section V.2 Terms. At the first Annual Meeting, the Directors shall be elected to staggered terms such that approximately half are for a one (1) year term and the balance are for two (2) year terms. Following the initial election, Directors shall be elected to terms of two (2) years.

- (a) Each duly elected Director shall serve until the expiration of his or her term and until a successor is elected and qualified, unless the Director resigns or is removed.
- (b) Resignations from the Board shall be in writing, addressed to the Board.
- (c) Vacancies in the Board shall be filled by a majority vote of the Board of Directors, with the replacement Director so elected serving until the next Annual Meeting of the Members, at which meeting the Members shall vote to elect a Director for such position who shall serve to the end of the term of the Director who has left the Board.

Section V.3 Election of Directors. In the election of Directors, each Member shall be entitled to nominate one candidate, and each Member will have one vote. All Members are entitled to vote for candidates from all Membership Classes. The Board of Directors may prescribe rules and regulations not inconsistent with these Bylaws governing the nomination of Directors and the qualifications of candidates. However, said rules and regulations shall specify that candidates shall currently qualify as Members of the Food Hub and shall be willing to be a candidate for the office of Director and to serve in that capacity, if elected. Said rules and

regulations may also provide that a Nominating Committee be appointed by the Board of Directors. Nominations may also be made from the floor at the Annual Meeting, provided any such nominee is present at such meeting and meets the qualifications of a candidate as referenced herein.

Section V.4 Removal. Any Member may request the removal of a Director by filing such request with the Secretary of the Food Hub, together with a petition signed by Members representing twenty-five percent (25%) of the membership, requesting the removal of the Director in question. Thereupon, the Board of Directors must call a special meeting of the Members within forty-five (45) days to consider the removal of the Director. By a vote of Members representing a majority of the membership voting, the Director in question shall be removed from office and the vacancy shall be filled. The Director against whom such a request has been filed shall be informed in writing previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses. The person or persons requesting removal shall have the same opportunity.

Section V.5 Quorum. A quorum for a Board meeting shall be a majority of the Directors.

Article VI. Standards of Conduct

Conflict of Interest. The Board shall have a Conflict of Interest Policy that shall require Directors to make prompt and full disclosure to the Board of any personal, professional, or financial conflict of interest in any matter under discussion. A Board member shall not participate in any vote on any matter in which the Director has a conflict of interest.

Article VII. Meetings of the Board of Directors

Section VII.1 Time and Place. Meetings of the Board shall be held at such times and places in San Juan County, Washington, as shall be determined by the President or the majority of the Board.

Section VII.2 Annual Board Meeting. The Annual Meeting of Directors, at which the officers of the Food Hub shall be elected, shall be held immediately following the adjournment of the Annual Meeting of Food Hub Members.

Section VII.3 Regular Board Meetings. Regular board meetings may be held after the giving of sufficient notice to each Director to reasonably enable the Director to attend, provided there shall be no less than ten (10) days actual notice. Directors unable to attend a regular meeting in person may attend by telephone or video conference.

Section VII.4 Special Board Meetings. Special Board meetings may be called by or at the request of the President or Vice President or any two (2) Directors. The person or persons authorized to call a special meeting shall notify Board members of the meeting by mail or email at least ten (10) days prior to such meeting.

Section VII.5 Open Board Meetings. Except as provided in below, all Board meetings shall be open to all Members.

Section VII.6 Minutes. The Board shall keep minutes of all actions taken by the Board, which shall be available to all Members.

Section VII.7 Closed Session. Upon an affirmative vote taken in an open meeting to assemble in closed session, the Board of Directors may convene in closed session, for example, to consider personnel matters, to consult with legal counsel or consider communications with legal counsel, to discuss likely or pending litigation, or to take up matters involving possible liability of a Member of the Food Hub. The motion to assemble in closed session shall state specifically the purpose for the closed session. The motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict consideration during the closed meeting only to those matters specifically stated in the motion. No motion or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion or other action that is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Article VIII. Officers

Section VIII.1 Number, Election, and Term of Office. The officers of the Food Hub shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors at the annual meeting of the Board, to serve until the next annual meeting and until their successors are elected and have qualified. The offices of Secretary and Treasurer may be combined into one office as Secretary-Treasurer. Only Members of the Food Hub may serve as officers of the same. Vacancies in any term of office may be filled by the Board of Directors at any meeting.

Section VIII.2 President. The President shall preside at all meetings of Directors and Members, and shall have general management of the affairs of the Food Hub, shall sign all written contracts of the Food Hub, shall appoint and discharge all agents and employees, subject always to the approval of the Board of Directors and subject to the right of the Board of Directors to remove or discharge the same, and shall perform all such other duties as are incident to the office or as may be required of the President by the Board of Directors.

Section VIII.3 Vice President. The Vice President shall perform the duties of the President in the absence or incapacity of the President, and such other duties as may be requested by the President or the Board of Directors.

Section VIII.4 Secretary. The Secretary shall keep the minutes of all meetings. The Secretary shall attend to the giving and serving of all notices of the Food Hub, shall have charge of all corporate record books, shall attest by signature to all written contracts of the Food Hub, and shall perform all such other duties may be required of the Secretary by the Board of Directors.

Section VIII.5 Treasurer. The Treasurer will generally oversee the financial record keeping of the Food Hub, shall ensure that proper books of account are kept, and shall submit these books,

together with all corporate records and papers, to the Board of Directors at any meeting when required to do so. The Treasurer shall perform all such other duties relating to the financial affairs of the Food Hub as may be required by the Board of Directors.

Section VIII.6 Other Officers. In addition to the foregoing officers, the Board of Directors may, from time to time, elect such other officers as they see fit, with such duties as the Board deem proper.

Section VIII.7 Manager. The Board shall have the discretion to establish a position for a Manager, who shall not be an officer nor a Board member and who shall work at the direction of the President.

Article IX. Accounting and Finance

Section IX.1 Fiscal Year. The fiscal year of the Food Hub shall begin on January 1st of each year and shall end on December 31st of each year.

Section IX.2 Accounting System and Reports. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted accounting principles, an appropriate accounting system.

Section IX.3 Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Food Hub.

Section IX.4 Checks, Draft, Etc. All checks, drafts or other orders for the payment of monies, and all notes, bonds, or other evidence of indebtedness issued in the name of the Food Hub shall be signed by such Officer or Officers, agent or agents, employee or employees of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. Checks of \$1,000 or more for items not in the approved budget must be approved by the Treasurer.

Section IX.5 Deposits. All funds of the Food Hub shall be deposited from time to time to the credit of the Food Hub in such depositories as the Board of Directors may elect.

Section IX.6 Audits. The Board of Directors shall determine the level of audit required (i.e., compilation, review, or full audit) for the fiscal year and appoint a Financial Review Committee or a Certified Public Accountant. Financial records and review shall be made available to Members at least two weeks prior to the Annual Meeting. The Financial Review Committee shall comprise three (3) Members not on the Board but who are appointed by the Board.

Article X. Insurance

Section X.1 Insurance. The Food Hub shall purchase adequate liability and property insurance for the Food Hub.

Section X.2 Responsibility. The Secretary shall be responsible for obtaining and maintaining all insurance, with the approval of the Board of Directors.

Article XI. Conduct of Business

Section XI.1 Robert's Rules of Order shall be recognized as authority governing all meetings when not in conflict with the law, the Articles of Incorporation of the Food Hub, or these Bylaws. The Food Hub should make every attempt to ensure that all perspectives are heard and thoughtfully considered during the course of discussions.

Article XII. Amending or Replacing Bylaws

Section XII.1 The Board of Directors shall have the power to make, amend, or repeal the Bylaws of the Food Hub at any meeting of the Directors by an affirmative two thirds (2/3) vote of the entire Board of Directors.

Section XII.2 A record of the vote shall be recorded in the meeting minutes.

Section XII.3 The Board shall notify the Members of any change in the Bylaws within thirty (30) days of such change.

Approved by the San Juan Islands Food Hub Board on March 4, 2021, revising the version of the Bylaws previously approved, February 19, 2021, amending Bylaws previously approved on Monday, November 20, 2020. Bylaws version dated February 17, 2020, added requirement that Producers be members and to limit the number of Community Support Members. February 2021 amendments regard the number and composition of Board members and board quorum definition.

March 4, 2021, revisions include adding the nonvoting member class and changing the fiscal year to coincide with the calendar year.