AMENDED BYLAWS
Fiddleheads Natural Foods Cooperative, Inc.

ARTICLE I: ORGANIZATION

1.1 **Name**. The name of the organization shall be Fiddleheads Natural Foods Cooperative, Inc. (henceforth the "Cooperative").

1.2 **Ownership and Purpose**. The Cooperative shall be owned by its Member-Owners and shall operate for the mutual benefit of its Member-Owners.

ARTICLE II: MEMBERSHIP

2.1 **Eligibility**. Membership in the Cooperative shall be open to any individual who is in accord with its purposes and is willing to accept the responsibilities of a Member-Owner.

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**. Any eligible person or household may become a Member-Owner upon submitting an application and making a capital contribution 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 Cooperative's Board, to attend meetings of the Board, to receive notice of and attend membership meetings, to petition as described in these Bylaws, and to ratify 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 be understood to apply only to Member-Owners. All rights and responsibilities of Member-Owners are subject to the Bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.

2.5 **Responsibilities**. Member-Owners shall keep the Cooperative informed of any changes in name or current address and shall abide by these Bylaws and the policies and decisions of the Cooperative or the Board. A Member-Owner who upholds these responsibilities is considered a Member-Owner in good standing.

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

2.7 **Return of Capital Contribution**. Capital contribution shall be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the capital contribution is no longer necessary.

2.8 **Unclaimed Property**. If a Member-Owner voluntary or involuntarily terminates membership in the cooperative, and fails to inform the cooperative of his or her mailing address, then the capital contribution and patronage dividend amount allocated to that Member-Owner will be forfeited by the Member-Owner to the cooperative.

2.9 **Non-transferability.** Membership rights and Member-Owner capital contribution may not be transferred in any manner, except by action of the Cooperative, which shall act as the transfer agent.

ARTICLE III: MEMBERSHIP MEETINGS

3.1 **Annual Meeting**. A membership meeting shall be held each year at a time and place, if any, to be determined by the Board. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect the Cooperative, to elect Directors to the Board, and to transact such other business as may properly come before the meeting.

3.2 **Special Meetings**. The Board may call special meetings of the membership, either by decision of the Board or in response to a written petition of five percent (5%) of the Member-Owners. Notice of special meetings shall be issued to Member-Owners. In the case of a meeting called by petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that 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 Cooperative and communicated to Member-Owners not less than four (4) weeks prior to the date of the meeting.

3.4 **Voting by Ballot**. For any action that is to be voted upon by the Members, the Board of Directors may elect to conduct such vote by ballot without a meeting. A vote ballot shall be conducted in the following manner: the Cooperative shall prepare a ballot with such question or questions that shall be put before the Members. The Board of Directors shall approve the wording of all questions appearing in such ballot. Each ballot shall: (i) be in writing; (ii) set forth each proposed action; (iii) provide a method to record a vote in favor of, against, or abstention from, each question appearing thereon; and (iv) provide an opportunity to vote for, or withhold a vote for, each candidate for election as a director, if any. Any solicitation for votes by ballot shall: (x) indicate the number of responses needed to meet the quorum requirements; (y) state the percentage of approvals necessary to approve each matter other than election of directors; and (z) specify the date and time by which a ballot must be received by the Cooperative in order to be counted. The Board of

Directors shall fix a date for any vote by ballot. The Cooperative shall give notice to the Members of a vote by ballot in the same manner as calling a meeting of the Members.

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 the presence, in person or by proxy, three percent (3%) of the total number of Member-Owners or twenty-five (25) Member-Owners, whichever is less.

ARTICLE IV: BOARD OF DIRECTORS

4.1 **Powers and Duties**. The Board shall be composed of nine (9) Directors, elected from among Member-Owners of the Cooperative. Except for matters for which voting by the membership is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management and evaluating its performance, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is carried out.

4.2 **Terms and Elections**. Elections shall occur annually, in a manner prescribed by the Board. 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 three (3) consecutive terms, but may be subsequently re-elected after a period of two years.

4.3 **Vacancies**. Any vacancy among Directors elected by the Member-Owners may be filled by appointment by the Board. At the next Annual Membership Meeting, the membership shall be asked to ratify the appointment. A Director so appointed and ratified shall complete the pertinent term.

4.4 **Removal**. A Director may be removed by vote of two-thirds (2/3) the Member-Owners present at a meeting at which a quorum is present and called for the purpose.

4.5 **Meetings**. The Board shall hold regular and special meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least ten (10) days in advance. The time and place of all meetings shall be posted in a conspicuous place at the principal offices of the Cooperative not more than one (1) day after calling of the meeting. Meetings shall be open to all Member-Owners unless the Board decides to go into executive session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.

4.6 **Action without a Meeting**. Any action required or permitted to be taken at a meeting of the Board may be taken by written action affirmed by all of the Directors. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action.

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

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

4.9 **Employee directors**. Member-Owners who are employees of the Cooperative may serve on the Board, but no more than two (2) such directors may serve on the Board at one time. Directors elected or appointed to the Board as Employee Member-Owners must resign from the Board if they are no longer employed by the Cooperative. Likewise, Directors elected or appointed as Non-Employee Member-Owners must resign from the board if hired by the Cooperative.

4.10 **Officers**. The Board will designate officers according to the requirements of state law and as necessary for the effective conduct of Board business. Offices of President and Vice-President may not be filled by employees of the Cooperative.

ARTICLE V: PATRONAGE DISTRIBUTIONS

5.1 **Allocation to Members**. The Cooperative shall be operated at all times as a cooperative. The Cooperative may allocate and distribute to Member-Owners the net profit from business done with them in such manner as to qualify them as patronage distributions consistent with cooperative principles, applicable federal and state laws, articles of incorporation, and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made.

5.2 **Consent of Members**. By obtaining or retaining membership in the Cooperative, 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 Cooperative.

5.3 **Sinking Fund**. No distributions of net earnings to Member-Owners shall be declared or paid until a sum equal to ten percent (10%) of the net profits is appropriated for a contingent or sinking fund and until there has been thereby accumulated a sum equal to twenty percent (20%) of the capital stock.

ARTICLE VI: DISSOLUTION

6.1 **Asset Distribution.** The Cooperative may be dissolved upon a decision of the Board and a two-thirds (2/3) vote of the Member-Owners who participate in the vote at a membership meeting. Upon dissolution of the Cooperative, its assets shall be distributed as provided in the Certificate of Incorporation. If equity accounts cannot be paid in full, then they shall be paid in the order of the oldest outstanding amounts.

ARTICLE VII: BYLAWS

7.1 **Amendments**. These Bylaws may be amended at any regular meeting of the Board of directors following notice and text of the bylaw change in the notice of the Board meeting. The Member-Owners at the next annual meeting shall ratify notice of the changes in the Bylaws.