



**For Locally Grown, Shop Locally
Owned**

BYLAWS - Rising Tide, INC.

Rising Tide Community Market
323 Main Street
Damariscotta, ME 04543
207-563-5556

BYLAWS - RISING TIDE, INC.

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**BYLAWS
OF
RISING TIDE, INC.**

**ARTICLE ONE
PURPOSE AND AUTHORITY**

Section 1. Rising Tide, Inc. shall operate in a cooperative fashion as set forth in the International Co-operative Alliance Statement on Co-operative Identity. Rising Tide is committed to the distribution of products that reflect our concern for the global community and the values of optimal nutrition as well as to conducting our business in a socially responsible manner with respect for our customers, our workers and our environment.

Section 2. The Corporation will have the authority to buy, store, distribute, handle, process and produce for its members and other patrons, foodstuffs, clothing merchandise of all kinds and any other commodities the Corporation may see fit to handle and to perform such other services as the members may desire. The Corporation may acquire, either by purchase or lease, real estate and other properties or facilities necessary or desirable in the conduct of its business; mortgage, sell and convey such properties; and purchase, hold, sell, assign, or transfer the shares of capital stock of other Co-operative Corporations. It will have all other rights and privileges consistent with its certificate of incorporation under the laws of the state of Maine.

Section 3. Policy shall be expressed by resolutions adopted by the board regarding only food, dry stuffs and Co-operative governance.

**ARTICLE TWO
MEMBERSHIP**

Section 1. Membership is open to any person who subscribes to the goals of the Corporation and has complied with the requirements of Section 2. of this Article.

Section 2. An annual refundable membership investment of ten dollars (\$10) will be required for membership which will entitle the purchaser to ten (10) shares of stock to be paid by all adults (non IRS dependents). The initial investment and each subsequent annual investment is \$10. If the initial investment is made in any month later than January, the purchaser will pay a prorated amount for the period of time s/he will be a member in that first year purchasing shares at one dollar per share. When a member's total investments accrue to a maximum of two hundred fifty (250) shares of capital stock, s/he need not make an additional investment in order to retain all membership rights and privileges. A member's total investment shall not exceed five hundred shares (500). Prior equity collected by the predecessor organization is included in this number. A record of share holders and all stock transactions will be kept by the Corporation.

Section 3. Any person who wishes to be a member of the Corporation, but who cannot afford the initial or annual investment, may join through the alternate membership option whereby the prospective member pays an annual investment amount that is deemed personally appropriate

under the guidelines of written policy. The adjusted investment will purchase shares at one dollar per share. Adjustments under this option will not reduce the maximum allowable number of shares which is the same for all members.

Section 4. The annual investment will be made between October and December. A member may purchase the maximum number of shares (500) initially or the minimum number (10) annually, except as noted in Article 2, Section 3. Benefits and responsibilities of membership extend from January 1 through December 31 of the following year.

Section 5. Any member who doesn't make the investment by January 31st relinquishes their membership benefits until his/her investment payment is paid.

Section 6. Each member in good standing will be entitled to one vote on each matter submitted to a vote of the members and shall have the right to attend board meetings.

Section 7. A group may become a member of the Corporation by paying the equivalent of two adult memberships. Purchases will be for group consumption, communal use only. Such groups shall have only one voting delegate in meetings of the Corporation. Any individual member of a group who wishes to shop for himself/herself must join the Corporation as a regular member.

Section 8. Membership in this Corporation is not transferable or assignable except as provided in Article 8.

Section 9. The board of directors under the following circumstances will at all times have the authority to repurchase the shares of stock and to cancel membership of any shareholder:

- (a.) Who has died.
- (b.) Who has failed to meet payments on investments for two years.
- (c.) Who has been expelled (See Section 10).

Section 10. A member who has violated these bylaws or any other policy of the corporation may be expelled by a vote of the majority of the members voting at a regular or special meeting. At least ten days prior to said vote, a written statement from the board shall be mailed to the affected member explaining the basis for the proposed expulsion and the right of the member to present his/her case to the membership at the next members' meeting.

ARTICLE THREE **MEETINGS OF MEMBERS**

Section 1. An annual meeting of the members will be held in March at a time and place to be fixed by the board of directors for the purpose of electing directors and for the transaction of other business. Any scheduled business not attended to at the annual meeting will be completed at a special meeting of the members as soon as possible thereafter.

Section 2. Special meetings of the members may be called by the president, the board of directors or not less than 1/10 (one tenth) of the members having voting rights.

Section 3. Written or printed notice stating the place, day, hour and agenda of any meeting of members will be posted conspicuously at the Rising Tide Market by the officer(s) or persons calling the meeting at least fourteen (14) days before the date of such meeting.

Section 4. Ten percent (10%) of the membership will constitute a quorum at membership meetings. If a quorum is not present at any meeting of members, no business will be transacted.

Section 5. At any meeting of members, a member entitled to vote may vote in person but not by proxy.

Section 6. See Article 14, Section 1 for requirements for a mail vote.

Section 7. The desired goal of this Corporation is to act by consensus of the members. If a consensus is not reached on a matter, it may be voted on by the members present. A two thirds (2/3) majority is necessary for action to be taken on any vote.

ARTICLE FOUR **BOARD OF DIRECTORS**

Section 1. The control of the Corporation will be vested in the members but the business of the Corporation will be administered by its board of directors subject to the control and direction of any regular or special meeting of the members. Directors must be members of the Corporation and will have the following duties:

- (a.) To guide and assess the financial condition of the Corporation and its business and to take proper action in its regard.
- (b.) To hire and supervise a general manager and assign his/her duties and determine his/her salary.
- (c.) To appoint an accountant and/or bookkeeper to review the Corporation's financial position.
- (d.) To determine and monitor policies of the Corporation, insuring the conduct of its affairs in accordance with the bylaw, with fairness to members and employees.
- (e.) To review the adequacy of the insurance of the property of the Corporation and insurance against liabilities.
- (f.) To guide the major steps in business activity and expansion, including the investment of reserve funds, borrowing money (subject to Section 3 of Article 8) making important financial commitments and entering into new fields of business enterprise.

Section 2. There will be a total of eleven (11) directors. Three/four directors will be elected each year at the annual meeting to fill vacancies created by directors whose terms are expiring. Each year, beginning in 1996, the directors will be elected to serve for staggered three years. No director shall serve for more than two (2) consecutive terms.

Section 3. Any director missing three (3) consecutive directors' meetings without prior notice to the president will be subject to dismissal.

Section 4. There shall be a minimum of nine (9) regular board meetings per year. A notice of meeting and written agenda will be posted in the store seven (7) days before any regular board meeting.

Section 5. A two thirds (2/3) majority of the board of directors will constitute a quorum for the transaction of business at any meeting of the board; if fewer than 2/3 of the directors are present at any meeting, no motions shall be made or voted on.

Section 6. The desired goal of the board of directors is to act by consensus of its members. If a consensus is not reached on a matter, the action of two thirds (2/3) majority of the directors present at a meeting, at which a quorum is present, will be the action of the board of directors, unless the action of a greater number is required by law or by these bylaws.

Section 7. Any action, which may be taken at a meeting of the directors, may be passed without a meeting if all of the directors sign written consents, setting forth the action taken or to be taken, at any time before the intended effective date of such action. Such consents will be filed with the minutes of directors' meetings and will have the same effect as a unanimous vote.

Section 8. An executive session at which only board members shall be present can be called for discussion of personnel issues or when legal confidentiality is required. The results of said executive session shall, without violation of confidentiality, be recorded in the general minutes.

Section 9. Any vacancy occurring in the board of directors will be filled by the board of directors by a vote of at least two thirds (2/3) majority. A director appointed to fill a vacancy will serve for the unexpired term of his/her predecessor in office. Each such appointment by the board will be subject to the approval or disapproval of the members at the next regular or special meeting of the members.

Section 10. Special meetings of the board of directors may be called by or at the request of the president or any two (2) directors.

Section 11. Notice of the date, time and purpose of any special meeting of the board of directors will be given at least three (3) days ahead of the meeting time. The attendance of a director at any meeting will constitute a waiver of notice, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE FIVE
OFFICERS

Section 1. The officers of the Corporation will be a president, vice-president, a secretary and a treasurer. The board of directors may elect or appoint other officers as it deems desirable. Such officers will have the authority and perform the duties prescribed by the board of directors in its governance policy.

Section 2. Officers will be elected at the next regular board meeting following the annual members' meeting.

ARTICLE SIX
COMMITTEES

Section 1. The board of directors may designate one or more committees, each of which will consist of two or more directors and/or members. The purpose of these committees is to inform and advise the board of directors and they will have no inherent authority of their own.

ARTICLE SEVEN
CONTRACTS, CHECKS, DEPOSITS AND GIFTS

Section 1. The board of directors may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract in the name of the Corporation and such authority may be general or may be confined to specific instances.

Section 2. The board of directors may accept on behalf of the Corporation any contribution, gift or bequest to be used for any purpose of the Corporation.

ARTICLE EIGHT
SHARES AND SHAREHOLDERS

Section 1. After a shareholder's whereabouts are unknown for a period of two (2) years and in accordance with the laws of the State of Maine regarding due notice, the board of directors will have the right to cancel such membership and transfer such capital to the reserve fund.

Section 2. The Corporation will have an absolute lien on the share or loan capital and the interest due thereon of any member or subscriber to share capital for debts owed to the Corporation.

Section 3. A member's capital stock may be sold back to the Corporation for its dollar value less a processing fee, to be determined by the board, upon termination of membership with 90-day's notice.

Section 4. Any return on share capital will not exceed six percent (6%) per year and shall be paid out of surplus.

ARTICLE NINE
DISCOUNTS, SURPLUS AND RESERVES

Section 1. The policy of the Corporation will be to grant patronage benefits to members .

Section 2. The board of directors will determine and at a minimum annually review the patronage benefits policy in place and the requirements for working members to determine what changes, if any, are required for the financial well being of the Corporation. Any changes in the patronage benefits policy or working member requirements determined by the Board to be required shall be promptly implemented by the Board, subject to ratification or veto by a vote at the next member annual or special meeting.

Section 3. At the end of the fiscal year, the board of directors will allocate at least ten percent (10%) of the net savings remaining after expenses have been met to the reserve fund. This reserve fund will have money especially allotted to it from net savings or earnings of the business and any other funds appropriated to it by the board of directors or the membership. The reserve fund is the property of the Corporation and cannot be divided.

Section 4. From the net surplus, a sum of at least five hundredths of a percent (.05%) will be invested by the board of directors in an educational fund.

Section 5. At the annual membership meeting a vote will be taken to dedicate any potential net savings to the reserve fund.

ARTICLE TEN
BOOKS AND RECORDS

Section 1. The Corporation will keep in the store:

- (a.) Correct and complete books and records of accounts.
- (b.) Copy of bylaws and governance policies and minutes of the proceedings of its members and open board of directors' meetings.
- (c.) A record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his/her agent or attorney.

ARTICLE ELEVEN
FISCAL YEAR

Section 1. The fiscal year of the Corporation will begin on the first (1st) day of January in each year and end at midnight on the thirty first (31st) day of December of that year.

ARTICLE TWELVE

INDEMNIFICATION

Section 1. The Corporation will indemnify any person against any suit or proceeding taken against them because s/he is or was a director, agent or employee of the Corporation as long as it is confirmed that this person has acted in good faith in the reasonable belief that his/her action was in the best interests of the Corporation and believed his/her conduct was lawful.

ARTICLE THIRTEEN **AMENDMENT OF BYLAWS**

Section 1. These bylaws may be altered, amended or repealed and new bylaws adopted by a two thirds (2/3) majority of the members present at any regular or special meeting of the membership, if at least fourteen (14) day's notice posted at the store is given of intention to alter, amend, repeal or adopt new bylaws.

ARTICLE FOURTEEN **VOTING BY MAIL**

Section 1. Upon a vote of the membership at a meeting or by the board of directors, a mail ballot may be called for. Each member shall receive a ballot to be returned to the Rising Tide within thirty (30) days after sending postmark. A signature signifies validation. Two-thirds (2/3) majority of returned ballots by stated deadline will be required for the vote to be official. A return of ten percent (10%) of the ballots mailed will constitute a quorum.

ARTICLE FIFTEEN **DISSOLUTION**

Section 1. Should dissolution of the Corporation be deemed necessary by two-thirds vote of the board of directors a notice will be posted in the Rising Tide and published in the Lincoln County News and a notice and ballot will be mailed to all members at their last recorded address and the vote will be conducted as stated in Article Fourteen.

Section 2. Two-thirds (2/3) majority of the ballots returned will be required for dissolution.

Section 3. On such dissolution, any reserves of the Corporation in excess of the outstanding financial obligations and refunding of members' capital contribution will be turned over to any recognized Corporation organization that the membership might determine.