

BYLAWS OF TIDAL CREEK COOPERATIVE FOOD MARKET, INC.
(A Cooperative Corporation) amended September 2016

ARTICLE I

NAME AND LOCATION

Section 1 Name. The name of this cooperative corporation shall be Tidal Creek Cooperative Food Market, Incorporated. Hereafter it shall be referred to as the Corporation.

Section 2. Location. The principal office of the Corporation shall be located in the County of New Hanover and State of North Carolina. The Corporation may also have such offices at such other places within or without the State as the Board of Directors may from time to time determine.

ARTICLE II

PURPOSE

The Corporation is member owned under an equity system and shall be operated on a cooperative basis. The purposes for which the corporation is organized are to operate a food cooperative business so that members can buy their groceries and other personal and household items at below retail prices; to promote good nutritional practices among its members by encouraging them to eat foods of maximum nutritional value; to provide for other member needs as they arise and require attention and for any other purpose which is lawful under the corporation statutes of North Carolina.

ARTICLE III

MEMBERSHIP

Section 1. Types of Membership. There shall be three categories of membership as follows:

(a) Consumer Members. Consumer members in good standing as defined in these bylaws shall have the right to vote. They shall be any individuals who have attained the age of eighteen years, paid the annual equity payment, and have met any further eligibility requirements for consumer membership as shall be prescribed by regulations duly adopted by the Board of Directors of the Corporation.

(b) Employee Members. Employee members in good standing as defined in these bylaws shall have the right to vote. They shall be any individuals who have attained the age of eighteen years, purchase one worker-share, and have met any further eligibility requirements for employee membership as shall be prescribed by regulations duly adopted by the Board of Directors of the Corporation.

(c) Special Members. The Board of Directors may grant some privileges of membership to persons who have met some limited requirements as prescribed by the Board of Directors.

The Board of Directors may adopt such rules or regulations as may be prescribed, with respect to all members, the amount and manner of imposing and collecting any initiation fees, dues, or other fees, assessments, fines and penalties, the manner of suspension or termination of membership, and for reinstatement of membership, and, except as hereinafter may be provided, the rights, liabilities, and other incidents of membership.

Section 2. Removal from Membership. If the Board of Directors finds probable cause to believe a member is causing appreciable injury to the Corporation through failure to comply with the requirements of the Bylaws, or has failed to meet the eligibility requirements for membership, or has taken certain actions deemed contrary to the Corporation's best interests, the member shall be given written notice of the charges. The Board has authority to immediately suspend the member from the Corporation or to put the member on probation pending the next regularly scheduled Board meeting. At the next regularly scheduled Board meeting, the charges against the member shall be read and he or she shall be given an opportunity to answer. The Board and the member both have the right to call witnesses on their behalf. A two thirds majority of the Board voting at the meeting shall be required to remove a member.

Section 3. Withdrawal from Membership. A member may terminate his or her membership voluntarily at any time by giving notice to the Corporation.

Section 4 . Participation rights and "Members in Good Standing"

Each member who has remitted the required annual equity payment, each year, as defined by the Board, shall be considered to be a "Member in Good Standing", and shall be eligible to:

- a. Receive patronage dividends in accordance with Art. VII/ section 8 of these bylaws.
- b. Attend workshops and events that are sponsored or presented by the Corporation.
- c. Receive publications of the Corporation that are offered to Members.
- d. Exercise voting rights as a Member. An employee member who is also a consumer member will have only one vote.
- e. Seek nomination and election for service as a member of the Board of Directors or as an officer of the Board of Directors.

A member in inactive status may attain good standing only upon full payment of arrearages. References in these bylaws to the rights and entitlements of members shall be understood to refer only to members in good standing.

ARTICLE IV

GOVERNMENT/MEMBERS MEETINGS

Section 1. Control. The supreme authority and control of this Corporation shall rest in the membership. A simple majority vote of the voting members present at a meeting shall rule, except as otherwise stated in these Bylaws. Each member shall have one vote.

Section 2. Elections. The election of Board members and other necessary elections may be held in either of three ways. Elections may be by ballot at the Corporation's place of business during a time not to exceed one month prior to the annual meeting, or by secure online voting or they may be held at the annual meeting. Notice of the election shall be posted prominently in the Corporation's place of business stating date, duration and location of the poll. Notice of the election shall be given not less than five days before the date of the election. Notice of the election shall be given either orally by telephone or in the Corporation's newsletter or by first class mail to each member at his address recorded on the records of the Corporation. Results of the election shall be posted at the Corporation's place of business no later than forty-eight hours after the closing of the poll. If two per cent of eligible members vote or 150 eligible members vote, whichever is smaller, then the results of the election shall be deemed effective. Other policies and procedures governing elections shall be determined by the Board of Directors, except as otherwise noted in these Bylaws.

Section 3. Annual Meeting. The annual meeting shall be held at a time and place designated by the Board. The annual meeting shall take action on all phases of business of the Corporation, including any necessary elections, financial reports, committee reports, Board recommendations, and any other business that may legally come before it. The Board of Directors shall prepare the agenda in advance in conformance with these Bylaws and shall present it for approval of the membership as the first order of business after the call to order.

Section 4. Special Meetings. The President shall call special meetings of the membership upon a majority vote of the Board of Directors within thirty days. At special meetings action may be taken only on matters announced on the agenda at least one week in advance. If ten percent of the regular voting members sign a petition calling for a special membership meeting, the Board shall call such a meeting within two weeks after delivery of the petition to the Board unless the

petition calls for allowing the Board a longer period of time. In the latter case, the Board shall call the meeting for any time before the deadline named in the petition. The special meeting called as a result of a petition shall be limited to the agenda specified on the petition and announced at least one week in advance.

Section 5. Notice of Meeting. Notice of annual and special meetings shall be posted prominently in the Corporation's place of business stating time, date, and agenda of the meeting. Notice of the meeting shall be given not less than five days before the date of the meeting. Notice of the meeting shall be given either orally by telephone or in the Corporation's newsletter, by email or by first class mail to each member at his address recorded on the records of the Corporation. Any meeting of members may be adjourned from time to time. In such event it shall not be necessary to provide further notice of the time and place of the adjourned meeting if announcement of the time and place of the adjourned meeting is given at the meeting so adjourned. No notice need be given to any member who executes and delivers a Waiver of Notice before or after the meeting. The attendance of a member in person at the meeting without protesting the lack of notice of the meeting shall constitute a Waiver of Notice by such member.

Section 6. Quorum at a Membership Meeting. A quorum shall consist of at least two per cent of the voting members or 150 voting members, whichever is smaller.

Section 7. Meeting Rules. All meetings shall be presided over by the following officers, in order of seniority: the President, Vice President, Secretary, and Treasurer. The Secretary of the Corporation shall act as Secretary of every meeting.

Section 8. Decisions. Reserved.

Section 9. Voting Methods at Meetings. Election of Board members shall be by ballot. Action on all other matters shall be taken by a show of hands unless another method has been decided upon by a simple majority of the members eligible to vote at the meeting. Each member with the privilege of voting shall have one vote. There shall be no proxy voting.

Section 10. Record of Members. At every meeting of members there shall be present a list or record of regular members as of the record date, certified by the officer responsible for its preparation; and upon request therefore, any member who has given written notice to the Corporation, which request shall be made at least ten days prior to such meeting, shall have the right to inspect such list or record at the meeting. Such list shall be evidence of the right of the persons to vote at such meeting and all persons who appear on such list or record of regular members may vote at such meeting.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Description. The affairs of this Corporation shall be administered by a governing Board of Directors. Each Director shall be a member in good standing of the Corporation during his Directorship. The initial Board of Directors shall consist of three persons. Thereafter, the number of Directors constituting the entire Board shall be nine. Subject to the foregoing, the number of the Board of Directors may be fixed from time to time by action of the members or of the Directors. The number of Directors may be increased or decreased by action of the members or of the Board, provided that any action by the Board to affect such increase or decrease shall require the vote of a majority of the entire Board. No decrease shall shorten the term of any Director then in office. A maximum of two employees may be Board members at any one time.

Section 2. The First Board. The first Board of Directors shall consist of those persons elected by the Incorporator or named as the initial Board of Directors on the Certificate of Incorporation of the Corporation, and they shall hold office until the first annual meeting of members, and until their successors have been duly elected and qualified. Thereafter, elections will be held annually to replace retiring Directors as their terms expire. Terms of office shall be set for duration of no less than one year or more than three years, as determined by the Board of Directors prior to the election. Each Director shall hold office until the expiration of the term for which he was elected and until a successor has been duly elected and qualified or until his prior resignation or removal, as hereinafter provided.

Section 3. Removal from Office. If a member of the Board fails to attend three consecutive regular meetings of the Board, his office may be declared vacant by the Board at the next regular meeting and the vacancy filled as provided for in Section 4 of this Article. Any member of the Board may be removed from office by ballot at a membership meeting. At least two weeks notice must be given before such a ballot and said member shall be given the opportunity to make a statement before the vote. A two-thirds majority of those voting shall be required to remove a member from the Board at a membership meeting. The Board of Directors may remove any Director from the Board but only by unanimous vote of all the Board members, excluding the vote of the Director being considered for removal.

A Director may resign at any time by giving written notice to the Board of Directors or to an officer of the Corporation.

Section 4. Vacancies on the Board. A vacancy on the Board shall be temporarily filled by an eligible person appointed by the Board to serve until the next Board election.

Section 5. Meetings of the Board. A regular meeting of the Board open to the general membership, shall be held at least every two months at a time and place determined by the Board and announced at least two weeks in advance to the general membership by posting of the time, date, and place of Board meeting in a prominent location in the Corporation's place of business.

Special meetings of the Board may be held at the request of at least three members of the Board. Notice of such a special meeting shall be given each Board member twentyfour hours in advance of the meeting.

Section 6. Quorum of the Board. A quorum of the Board shall consist of a majority number of the total of the Board. It is desired that all decisions made by the Board shall be made by consensus. If consensus cannot be reached, matters will be decided by majority vote of the members present.

Section 7. Duties and Powers of the Board.

(a) Policies. The Board shall establish the policies of the Corporation and make all necessary regulations not inconsistent with the Bylaws and Articles of Incorporation.

(b) Committees. The Board shall have the right to create any committees for the proper administration and conduct of the business of the Corporation.

(c) Powers of the Board The duties and powers of the Board of Directors shall include all powers given a corporation under the laws on North Carolina, consistent with the laws of the United States and with the company's Articles of Incorporation and By-laws

(d) Reserved.

(e) Indemnification.

i. The association shall indemnify its each person who is or has been a director, officer, or employee of this association, and each person who is serving or has served at the request of this association as a director, officer or employee or agent of this association against expense including attorney fees, judgments, fines, and amounts paid in settlements, actually and reasonably incurred by him or her to the fullest extent of his or her right to indemnification under applicable law.

ii. The association may purchase liability insurance coverage for any person serving as an officer, director, employee, or agent to the extent permitted by applicable law.

(f) Conflicts of Interest. Directors are under affirmative obligation to disclose any actual,

potential or perceived conflicts of interest. The remaining directors by majority vote shall determine what action if any to take.

i. Directors with conflicts of interests may not participate in the discussion or decision in matters related to the conflict.

ARTICLE VI

OFFICERS

Section 1. Choosing of Officers. The Board of Directors shall elect a President, Vice President, Secretary, and Treasurer and such other officers as they may determine. Officers must be members of the Board of Directors. Any two or more offices may be held by the same person except the office of President and Secretary.

Section 2. Length of Term. Each officer shall hold office until his term expires and a successor has been duly elected and qualifies. The Board of Directors may remove any officer with or without cause at any time.

Section 3. Rights and Duties of the Officers.

(a) President. The President shall be chief executive officer of the Corporation. He shall preside at all membership meetings and all meetings of the Board and sign as President with the Secretary all notes, deeds, and conveyances of real estate as well as other legal documents of the Corporation.

(b) Vice President. The Vice President shall, in the absence or disability of the President, perform the duties of the President.

(c) Secretary. The duties of the Secretary shall be: (1) to keep a complete record of the meetings of members and of the Board and any special committees and the Corporate Minute Books as specially provided for the purpose; (2) to sign such papers and instruments of the Corporation as may be authorized; (3) to serve all notices required by law and these Bylaws or as directed by the Board or by the President; (4) to hold in safekeeping all records and files pertaining to his office such as current membership, register of membership, application cards, etc.

(d) Treasurer. The duties of the Treasurer shall be: (1) to have general charge and supervision and safely keep or cause to be kept the financial records of the Corporation; (2) to be responsible for the receipts and disbursements of all funds of the Corporation and deposit or

cause to be deposited all funds of the Corporation in its name in such depositories as the Board may direct; (3) to make a full report on all matters pertaining to his office to the members at their annual meeting and make such special reports as may be required by the Board.

ARTICLE VII

FINANCE

Section 1 Membership. Any person may become a member of the Corporation upon the fulfillment of the requirements set forth in these Bylaws and any other rules set forth by the Board.

Section 2 Certificates. Each regular member of the Corporation shall be provided a certificate of membership which shall be nontransferable.

Section 3 Equity Payments In order to meet the capital needs of the Corporation, a Consumer Member is required to remit an Annual Equity Payment and an Employee Member is required to purchase one worker share. The Board may set the amount of the annual equity payment and the worker share in an amount it deems appropriate. Member's equity accounts shall be subordinated to all other debt or equity obligations of the Corporation. The receipt of a Member's equity payment will be credited in the financial records of the Corporation to an equity or capitalization share account in the name of each Member. A Member's equity account is not entitled to a dividend or other return on investment, and is not transferable. An employee member who has begun paying for a worker share as part of a payroll deduction plan is entitled to all the rights and privileges of ownership, including voting and patronage dividend rights. Until the share has been fully paid for, all non-cash patronage dividends are allocated toward purchase of a worker share.

Section 4 Return of Equity Payments A Member's equity payments are non-refundable. They may however be returned upon request of the Member whenever membership has been terminated for any reason, upon approval of the Board of Directors. The equity to be returned to any member may be subject to a reasonable processing fee to be determined by the Board of Directors at return and shall be subject to setoff of any sum, however arising, which may be due and payable to the Corporation by that member. Payment of the equity account if requested shall be made to the former member within six months of the termination of membership otherwise it will be transferred back to the corporation.

Section 5 Borrowing. The Board may issue notes, mortgages, certificates and other forms of indebtedness to borrow money. No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board. The

Board is not authorized to contract any indebtedness under this section without listing as an agenda item the consideration of such indebtedness on the notification of its monthly meeting.

Section 6 Banking. All checks, drafts, or other orders for the payments of money issued in the name of the Corporation shall be signed in such manner as shall be determined by the Board. Funds of the Corporation may be deposited in such depositories as the Board may select.

Section 7 Benefits of Membership. No loans may be made by the Corporation to its Board members or officers. Agreed compensation can be paid to members or officers for services rendered or property used or transferred. Benefits can be conferred to members in conformity with the purposes of the Corporation.

Section 8 Patronage Dividends. This corporation operates on a cooperative basis and allocates earning and losses to patron-members on the basis of the business done with or for such patrons. Thus, in accordance with section 1381 of the Internal Revenue Code of 1954, this corporation may declare a patronage dividend to be distributed among the members in accordance with the total amount of purchases made by each such patron during the preceding fiscal year.

The patronage dividend, as determined by the Board of Directors, shall be non-cash payments in the form of “qualified written notes of allocation” as defined in section 1388 of the Internal Revenue Code of 1954. In accordance with Section 1382 of the Internal Revenue Code, the patronage dividends declared by the corporation may be deductible from the taxable income of the corporation and must be included in the taxable personal income of the member.

Each member, by the act of becoming a member, shall be deemed to have consented to include in his or her taxable personal income any qualified written notice of allocation received by him or her at its stated dollar amount, in the manner provided by Section 1385 of the Internal Revenue Code of 1954, and to pay the personal income tax thereon in the taxable year in which such written notices of allocation are received by him or her.

All written notices of allocation plus associated interest credited to a owner’s capital account shall be redeemed in cash within six (6) months of their date of issuance unless the Board of Directors determines that a postponement of the redemption is appropriate. Unless otherwise decided by the Board of Directors, after six months unredeemed or unacknowledged allocations will be either :

- a) allocated to the next year’s patronage dividend,
- b) added to become a permanent part of the cooperative capitalization, or
- c) donated to the Tidal Creek Foundation. The Tidal Creek Foundation is a nonprofit that supports cooperative development and local nonprofit community activities.

A copy of this By-Law Article VII, Section 8, shall be given to each prospective member before he or she becomes a member of the cooperative.

Section 9. Internal Accounts. Each member shall have an internal capital account in his or her name. The surplus earnings of the company after paying taxes, interest on loans, and allocations to the Reserve Fund (See Section 10 below) shall be allocated to members as a patronage dividend. Unless otherwise decided by the Board of Directors, the patronage dividend shall be credited to the owners' Internal Accounts.

Any positive balance for the retiring or terminating owner shall be paid in full by the corporation in cash or, at the election of the corporation, by means of the corporation's promissory note payable on such terms as the Board of Directors shall determine, provided that the note be payable in full within six months of the termination date, unless it would otherwise impair the Corporation's finances.

Section 10. Reserve Fund. A portion of the corporation's net worth shall be maintained as a Reserve Fund that will serve to protect members and creditors from any operating losses that the company might incur. Losses will first be applied to the reserve fund.

The Board of Directors will from time to time determine the proportion of the company's surplus or deficit that will be allocated to the Reserve Fund, with the remainder of the surplus or loss to be allocated to retained earnings, paid in capital, and then the permanent part of the cooperative's capitalization. individual members.

ARTICLE VIII

AMENDMENTS

These Bylaws may be amended by either of the following methods: (a) The Board may recommend an amendment, after which the proposed amendment shall be submitted to the membership for a vote at a specially called membership meeting or the annual meeting. A twothirds majority of those voting shall cause the proposal to be effective; or (b) If two per cent of the voting members or 150 members, whichever number is smaller, sign a petition proposing an amendment, the Board shall within fortyfive days after delivery of the petition, complete the process of taking a vote of the membership. Delivery of the petition shall be made at a Board meeting. If a quorum is reached at a specially called members meeting, a twothirds majority of those voting shall cause the proposal to be effective.

Section 1. Methods.

(a) Board Recommendation. The Board may recommend an amendment, after which the proposed amendment shall be submitted in writing in its proposed final form to the membership for a vote.

(b) Petition. If two per cent of the voting members or 150 voting members, whichever number is smaller, sign a petition proposing an amendment, the Board shall within fortyfive days after delivery of the petition, complete the process of taking a vote of the membership. The petition shall include the proposed amendment in writing in its proposed final form. Delivery of the petition shall be made at a Board meeting.

Section 2. Voting on Amendments. Voting may be conducted by either of the three methods described below. With all methods, notice of the vote, with a copy of the proposed amendment in writing in its proposed final form, shall be posted prominently in the Corporation's place of business stating time, date and location of the vote. Notice of the vote shall be given not less than five days before the date of the vote. Notice of the vote shall be given either orally by telephone or in the Corporation's newsletter, or by email or by first class mail to each member at his address recorded on the records of the Corporation.

(a) Voting by Ballot. A vote may be taken by ballot at the Corporation's place of business. Results of the ballot vote shall be posted at the Corporation's place of business, or on the Corporation's website no later than forty-eight hours after the closing of the poll. If two per cent of eligible members vote or 150 eligible members vote, whichever number is smaller, and then a two thirds majority of those voting shall cause the proposal to be effective. Other policies and procedures governing ballot votes shall be determined by the Board of Directors, except as otherwise noted in these Bylaws.

(b) Voting at a Meeting. A vote may be taken at a specially called membership meeting or at the annual meeting. If a quorum is reached at the meeting, then a two thirds majority of those voting shall cause the proposal to be effective.

(c) Voting On-Line. A vote may also be taken by secure online ballot until midnight on the last day of the election.