

**By-Laws of
The Durham Farmers' Market**

**Article I
Name, Purpose, and Goals**

Section 1. Name. The name of the corporation shall be the Durham Farmers' Market, hereinafter referred to as the "Corporation."

Section 2. Purposes. The purposes of the Corporation and the powers it exercises are as set forth in the Corporation's Articles of Incorporation.

Section 3. Goals. The Corporation was founded to promote direct marketing of farm products and handcrafted goods from producers to consumers. The goals of the Corporation are to operate a farmers' market in downtown Durham ("Market") that will provide:

- a) A direct retail outlet for the region's farmers and craftspeople, thereby promoting local agriculture by supporting local farmers and craftspeople; and
- b) An alternative outlet for consumers to buy high quality, local products at reasonable prices in an atmosphere conducive to the exchange of information and ideas between producers and consumers.

**Article II
Membership and Dues**

Section 1. Market Members. A Market Member ("Member") is any individual, farm, or business actively engaged in the production of farm products or handcrafted goods for direct sale that meets the requirements for membership as set forth below in Article II, Section 2. The required steps for membership are application, acceptance by the Board of Directors, and payment of annual dues. Only Members are eligible to sell at the Market.

Section 2. Requirements for Membership. The farm or business of anyone actively engaged in the production of farm products or handcrafted goods for direct sale may apply to become a Member of the Corporation. Membership applications will be considered in accordance with the following:

- a) Application for new memberships must be made each year by the date set in the Market Rules for the season in which the member wishes to sell.
- b) Members' farms and/or facilities must be within a 70-mile radius of Durham and within the state of North Carolina.
- c) Members must allow an initial inspection of any farms and/or facilities to be conducted by a committee designated by the Board of Directors in order to verify to the Corporation that the Member is the producer of all goods being sold. The inspection must be carried out before a Member is allowed to sell at the Market.
- d) Applications for membership are accepted or rejected by the Board of Directors. The Board of Directors retains the power to determine at any time who is eligible for membership and to limit the number of Members according to the size of the Market and/or the number of market days in a season.

Members must abide by all of the rules, regulations, and bylaws of the Corporation, including the Market Rules. A copy of the Market Rules will be given to each Member before the start of the market season. Definitions of those farm products and crafts which may be sold at the Market are determined by the Board of Directors and are included in the Market Rules.

Section 3. Rights of Members. The primary rights of Members are as follows:

- a) A Member is eligible to reserve a vendor's space for the upcoming market season based on the seniority system stated in the Market Rules. The Board of Directors will determine the procedures for the reservation of vendor's space.
- b) Each Member is allotted one vote on Corporation issues brought before the membership. Where a membership is granted to a cooperative or group of more than one persons, that entity must designate on its membership application one representative to vote and speak for the Member at all meetings at least ten days prior to the Annual Membership Meeting each Spring. A proxy may be appointed in accordance with Article III, Section 4. If an entity wishes to change its appointed representative, it must do so in writing at least ten days before the change is to become effective.
- c) Only the person designated as the representative may serve on the Board of Directors.
- d) A Member wishing to submit proposals or concerns for the consideration of the Board of Directors must do so in a writing signed and posted to the Market's P.O. Box. Said communications will be disseminated to the Board of Directors and may be made available to the Members at the discretion of the Board of Directors.

Section 4. Annual Dues. Annual dues will be set by the Board of Directors and will be proposed to the Members at the Annual Membership Meeting each Spring for approval by a majority vote of those present. Annual dues must be submitted with applications to return as a Member and applications to become a new Member. Annual dues will be returned to any new applicant not accepted as a Member. Payment of annual dues entitles a Member to sell on all market days for the season.

Section 5. Weekly Fees. Weekly fees for vendor space will be set by the Board of Directors and will be proposed to the Members at the Annual Membership Meeting each Spring for approval by a majority vote of those present. Weekly fees will be collected from each Member selling on each market day.

Section 6. Transfer of Membership. Membership in the Corporation is not transferable or assignable to another party.

Section 7. Resignation. A Member may resign at any time by doing so in writing to the Market Manager. Resignation does not relieve a Member of any obligations to pay previously accrued dues, assessments, or other charges. Furthermore, annual dues will not be prorated or refunded.

Section 8. Membership Termination. The Board of Directors may vote to suspend for a fixed period of time or to expel permanently any Member for cause. Members have the right to notice before any such action is taken. Cause may include, but is not limited to:

- a) Failure to submit to or abide by decisions made by the Board of Directors, including the Market Rules, or to accept any ruling of the membership;

- b) Selling or offering for sale any product not grown or originally produced by the Member; or
- c) Failure to pay dues in accordance with the bylaws.

Annual dues are not refunded when a Member is expelled for any reason.

Section 9. Reinstatement. Upon submission of a new member application during the regular application period, the Board of Directors may reinstate a terminated Member to membership in a subsequent season under terms and conditions that the Board of Directors deems appropriate.

Section 10. Property. No property rights shall accrue to any Member. In case of dissolution, all property assets remaining after the payment of debts will accrue to the Corporation as provide in the Articles of Incorporation. No Member will be liable for the Corporation's debts or obligations.

Section 11. Agents of Market Members. Any individual may perform activities on behalf of a Member, including selling at the Market, as designated by the Member.

Article III Meetings of the Members

Section 1. Annual Membership Meeting. The Corporation's Annual Membership Meeting will be held at a time and place designated by the Board of Directors sometime during the first quarter of the calendar year.

Section 2. Regular and Special Meetings. The Board of Directors will establish a schedule of regular meetings of Members and designate the time and place of the meetings. Special meetings of the Members may be called by the President, the Board of Directors, or by a group of members that is at least one-fifth of the Corporation's total membership.

Section 3. Notice of Meetings. Notice of all annual, regular, and special meetings of Members will be prepared and mailed to the last known postal address of each Member at least ten days and not more than 30 days prior to the date of each meeting. Each notice will include the time, place, and purpose of the meeting.

Section 4. Voting. One vote is allotted per Member. Membership votes may be conducted only when a quorum of the Members is present at any annual, regular, or special meetings. A Member may designate a proxy if the Member does so in writing to the Board of Directors.

Section 5. Quorum. Members representing 50% or more of the total membership (rounded up in case of an odd number of Members) will constitute a quorum. In the event that a quorum is not present, a meeting may be adjourned by the Members present until a quorum can be obtained. A quorum is required for a membership vote to take place.

Section 6. Order of Business. Annual Membership Meetings will follow a standard order of business:

- a) Officer roll call and quorum determination

- b) Reading and approval of the minutes
- c) Officer reports
- d) Committee reports
- e) Unfinished business
- f) New business
- g) Adjournment

Article IV Board of Directors and Officers

Section 1. General Powers. The Corporation's affairs will be managed by the Board of Directors. All Board Members must be residents of the state of North Carolina and must be active members of the Corporation. Nine Board Members will comprise the Board of Directors. Two Board Members will be drawn from the craft member community and seven Board Members will be drawn from the farm member community.

Section 2. Election of Board of Directors. The Board of Directors will be elected by and from the Members at the Annual Membership Meeting each Spring.

- a) Board Members must be elected by the majority of the Members represented at the Annual Membership Meeting.
- b) Board Members will serve two-year terms. Half of the Board Members will leave or stand for reelection to the Board of Directors each year.
- c) No Board Member simultaneously will hold more than one of the following positions: President, Vice President, Secretary, or Treasurer.

Section 3. Election of Officers. Immediately after each election of the Board of Directors by the Members, the Board of Directors will hold a regular meeting to elect a President, Vice President, Secretary, and Treasurer. The President must be chosen from among the Board Members from the farm member community. Each Officer serves a one-year term and holds office until the election and qualification of a successor. An Officer may be reelected more than once.

Section 4. Vacancies. Whenever a vacancy occurs on the Board of Directors, other than from the expiration of a term of office, the remaining Directors may select an interim replacement to serve until the next regular meeting or special meeting.

Section 5. Board Meetings. Meetings of the Board of Directors will be held at such time and place as the Board of Directors determines.

Section 6. Special Meetings. Special meetings of the Board of Directors will be held whenever called by the President or by two Board Members. Each call for a special meeting will state the time, place, and business of the meeting.

Section 7. Notice of Board Meetings. Notice of regular and special meetings of the Board of Directors must be given to each Board Member by standard post, email, telephone, or in person. Such notice will be given at least seven days prior to a regular meeting and at least one day prior to a special meeting. Any Member may attend meetings of the Board of Directors.

Section 8. Quorum. A majority of the Board Members on the Board of Directors constitutes a quorum. Quorum is necessary for the transaction of any business by the Board of Directors.

Section 9. Proxy Voting. Votes by proxy may be counted at regular or special meetings of the Board of Directors if a quorum is present to conduct the meeting. A Board Member must designate a proxy in writing to a fellow Board Member or the Market Manager. A proxy vote will carry the same weight as a vote cast in person.

Section 10. Compensation. Board Members and Officers will not receive any remuneration for their services. Travel expenses for attendance at regular or special meetings may be reimbursed by a resolution of the Board of Directors in their discretion. A Board Member may serve the Corporation in any other capacity and receive compensation for those services.

Section 11. Removal. Any Board Member may be removed by a vote of the Board of Directors after two unexcused absences from meetings of the Board of Directors. Furthermore, any Board Member may be removed for cause by a two-thirds vote of the Members at a special or regular membership meeting. Any Member may initiate a vote to remove, but the vote only may be taken after the membership has received written notice of the Member's intention to initiate a vote to remove that Board Member at least 30 days but not more than 60 days prior to the vote.

Article V Duties of the Board of Directors

Section 1. Management of Business. The Board of Directors will have general supervision and control of the Corporation's affairs and has the authority to make all rules and regulations consistent with North Carolina law and the Corporation's bylaws for the management of the business, guidance of all agents of the Corporation, and supervision of employees and contractors. This includes the power to levy a fee for any services provided by the Corporation to its members, provided that said fee is approved by a majority vote of the Members at any regular or special membership meeting before it goes into effect. The Board of Directors also retains the authority to promulgate an ethical code governing the conduct of all Members. The Board of Directors must maintain proper records of all business.

Section 2. Employees and Contractors. The Board of Directors may employ or authorize the employment of employees and contractors as deemed necessary and to set compensation at the fair market value for the services rendered.

Section 3. Insurance. The Board of Directors will provide for the adequate insurance of the Corporation's property or property stored by the Corporation, and not otherwise adequately insured. The Board of Directors will provide adequate general commercial liability insurance to cover market activities.

Section 4. Checks and Drafts. All checks, drafts, orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by the Treasurer. The Board of Directors may also authorize the Market

Manager to sign a check, draft, order for payment of money, note, or other evidence of indebtedness issued in the name of the Corporation.

Section 5. Contracts. The Board of Directors may authorize any Board Member, employee, or contractor of the Corporation to execute and deliver a contractual instrument in the name of the Corporation. Such authorization may be general or confined to specific instances.

Section 6. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, or bequest for the general purpose or any special purpose of the Corporation.

Section 7. Audits. At least once a year the Board of Directors will review the Corporation's financial records. Furthermore, the Treasurer must deliver an annual written statement on the Corporation's financial affairs. The Board of Directors may secure the services of a competent and disinterested public auditor or accountant to submit a written report based on the findings to the Corporation's membership.

Section 8. Depository of Funds. The Board of Directors will use a federally insured bank to deposit the funds of the Corporation.

Section 9. Memberships. The Board of Directors will accept new memberships, terminate memberships, and reinstate memberships as stated in Article II of the bylaws.

Section 10. Observance of the Bylaws. The Board of Directors has the power to enforce the observance of the Corporation's bylaws by all Members.

Article VI Duties of Officers

Section 1. Duties of the President. The President shall:

- a) Preside over all meetings of the Board of Directors;
- b) Preside over all meetings of the Members;
- c) Call special meetings of the Board of Directors;
- d) Perform all acts and duties usually performed by an executive and presiding officer;
- e) Supervise employees and contractors;
- f) Sign all papers for the Board of Directors (except for the authority granted in Article V, Sections 4 & 5); and
- g) Perform any other duties as may be prescribed by the Board of Directors.

Section 2. Duties of the Vice President. The Vice President shall:

- a) Assist the President and will perform the duties of the President in his/her absence; and
- b) Perform any other duties as may be prescribed by the Board of Directors.

Section 3. Duties of the Secretary. The Secretary shall:

- a) Be responsible for keeping the archives of the Corporation's records and documents, including a complete record of all meetings of the Members and meetings of the Board of Directors;

- b) Serve all notices required by law and by the bylaws of the Corporation, including state and federal legal and tax documents;
- c) Make a full report of all matters and business pertaining to the office of the Secretary at the Annual Membership Meeting;
- d) Participate in the compilation of reports required by the Corporation or the Board of Directors;
- e) Retain a current, complete list of Members, agents, employees, and contractors of the Corporation and their contact information as compiled by the Market Manager; and
- f) Turn over all records, documents, and other Corporation property in his/her possession upon the election of a successor.

Section 4. Duties of the Treasurer. The Treasurer shall:

- a) Perform all duties with respect to Corporation finances as prescribed by the Board of Directors and as provided in Article V, Section 4;
- b) Make a full report of all matters and business pertaining to the office of the Treasurer at all Annual Membership Meetings; and
- c) Turn over all records, documents, and other Corporation property in his/her possession upon the election of a successor.

Section 5. Succession of Officers. In case death or resignation of any Officer or the inability of any Officer to perform his/her duties, the Board of Directors may declare the office vacant and elect the Officer's successor as provided in Article IV, Section 4.

Article VII General Provisions

Section 1. Fiscal Year. The Corporation's fiscal year will begin on the 1st day of January and end on the 31st day of December in each year.

Section 2. Inspection of Records. All of the records of the Corporation will be maintained in accordance with the following:

- a) The following records of the Corporation will be available for inspection by the Members through an internet-accessible database:
 - 1) Incorporation documents including the Articles of Incorporation;
 - 2) Bylaws of the Corporation;
 - 3) Current Market Rules;
 - 4) Current annual budget;
 - 5) Approved minutes of all meetings;
 - 6) Treasurer reports; and
 - 7) A list of all current Board Members.
- b) All other records of the Corporation shall be maintained by the Secretary. These records will be made available for inspection by any Member upon written request. Any request by a Member for these documents must:
 - 1) Identify, to the extent possible, the specific documents requested; and
 - 2) Identify the specific nature and purpose for the request.

The Board of Directors will evaluate the written request at the next meeting following the receipt of that request. If the Board of Directors determine the request is for a proper purpose, the requested documents shall be made

available to the requesting Member within two weeks of the Board of Director's determination.

Section 3. Committees. Any business function of the Corporation may be delegated to a committee of the Members by the Board of Directors. The committee may appoint or elect a chairperson. Committees will investigate, plan, regulate, and oversee any function of the Corporation within the approval of the Board of Directors. However, the Board of Directors may not avoid their responsibilities by delegating to committees.

Section 4. Market Manager. The Board of Directors will employ and contract a Market Manager. The Market Manager may not be a Member of the Corporation. In December of each year, the Board of Directors will approve a contract delineating the responsibilities of the Market Manager for the coming fiscal year. The Market Manager may not be affiliated with any Member.

Article VIII Amendments

Section 1. Amendments to the Articles of Incorporation. The Articles of Incorporation may be altered, amended, or replaced by a two-thirds majority vote of the Corporation membership at a regular or special meeting. Any proposed change to the Articles of Incorporation must be filed with the Secretary in writing at least ten days before the meeting during which it is to be considered and before the notice of such meeting has been provided to the Members.

Section 2. Amendments to the Bylaws. The Bylaws may be altered, amended, or replaced by a majority vote of the Corporation membership at any regular or special meeting. Proposed changes to the Bylaws must be filed with the Secretary in writing at least ten days before the meeting during which it is to be considered and before the notice of such meeting has been provided to the Members.

THIS IS TO CERTIFY that the above bylaws of the Durham Farmers' Market were duly adopted by the Members of the Corporation at a meeting held on March 3rd, 2007.

Ben A. Bergmann
Secretary

4 April 2007
Date