

**BY-LAWS
OF THE
CHATHAM MILLS FARMERS' MARKET**

**ARTICLE I
PURPOSE AND GOALS**

Section 1: Purpose and Powers: The purpose for which this association is formed and the powers which it may exercise are set forth in the Articles of Incorporation of the association.

Section 2: Goals: The Chatham Mills Farmers' Market (CMFM) is being founded to promote direct marketing of farm products from the original producer to the consumer. The goal of CMFM is to operate farmers' markets in the Chatham County area which serve the following purposes of: (1) to provide a direct retail outlet for local farmers thereby promoting local agriculture, (2) to provide an alternative buying arrangement for consumers where high quality fresh products are available at reasonable prices in an atmosphere conducive to the exchange of information and ideas between the original producer and the consumer and (3) to provide high quality local food to the Chatham County area, to support small farmers, grow local economy, and to create an enjoyable open space for the community to gather.

**ARTICLE II
MEMBERSHIP AND DUES**

Section 1: General Membership: The membership of this corporation shall be active, associate, and honorary. Voting, payment of dues, and parking space reservations are carried out on a per farm unit basis. A farm unit consists of any member or group of members cooperatively producing farm products under one farm name, including any members of their immediate families who are involved in the farm operation. Only active, trial and associate members are eligible to sell at markets operated by CMFM. All members must abide by the rules, regulations, and by-laws of CMFM including the market rules which are determined by the CMFM Board. A copy of the market rules will be made available to members of CMFM at the beginning of each calendar year. The definition of farm products which may be sold by members at markets operated by CMFM will be determined by the Board of Directors and included in the market rules.

Section 2: Active and Trial Members: Any individual who is actively engaged in the production of the farm products he/she sells, who is the original producer of all such farm products, and who meets the qualifications for membership as stated in the CMFM Rules and Regulations and the requirements set forth below, may become a trial member upon application, acceptance by the Board of Directors, and payment of dues. Active membership may be granted after one full season as a trial member. The Board of Directors of CMFM shall have the power at any time to determine who is eligible for active membership according to the rules of CMFM and to set a limit on the number of active members according to the size and number of selling locations.

- A. New Applicants may apply for membership, acceptance is on a trial basis for the first year. Members accepted on a trial basis must reapply for full membership acceptance to the market for their second year. See Section 5 of rules for details.

B. Active members are members in good standing who represent farm units which have sold at markets operated by CMFM for at least 16 weeks during the previous season. Such farm units are active farm units. This requirement may be changed by a majority vote of the Board of Directors.

C. Active farm units are eligible to reserve a parking space for the season if available. Reservations may be required to sell at any market where space is limited as determined by the Board of Directors. An active farm unit may reserve two parking spaces only if the farm unit has sold for 27 weeks during the previous season. This requirement may be changed by a majority vote of the Board. Reservations are made per farm unit. The procedure for reservations will be determined by the Board of Directors.

D. Returning active and trial members must apply and pay any fees owed by December 31st of the year prior to the upcoming season. Failure to notify the board of intent to return by this deadline may result in forfeiture of membership or reserved spaces.

E. Active members are the voting members of CMFM. One vote is allotted per active farm unit.

E. At least one member of each active farm unit must attend one general membership meeting each year.

F. Active and trial members must allow their farms/operations to be inspected by a committee designated by the Board of Directors whenever such an inspection is requested by the Board.

Section 3: Associate Members (Guest Vendors): Any vendor who meets the qualifications for membership as stated in Article II, Section 6 and the requirements set forth below, may become an associate member upon application, acceptance by the Board of Directors, and payment of dues. The Board of Directors shall have the power at any time to determine who is eligible for associate membership according to the rules of CMFM and to set a limit on the number of associate members according to the size and number of selling locations.

A. Associate members are members who represent farm units which have sold at markets operated by CMFM for less than 17 weeks during the previous season or have not attended a general meeting. Such farm units are associate farm units. This requirement may be changed by a majority vote of the Board.

B. Associate farm units are eligible to sell at markets operated by CMFM if space is available but are not eligible to reserve a parking space.

C. Associate members may attend general membership meetings but are not voting members.

D. Associate members must allow their farms or business to be inspected by a committee designated by the Board of Directors whenever such an inspection is required by the Board.

E. Non farm crafts sellers are associate members with the exceptions as set forth below. Non farm crafts are produced from materials not grown or harvested by the crafts person.

For the purposes of these By-Laws all references to farm units and farm products are understood to include non farm crafters and crafts.

Section 4: Dues: Annual dues are set by the Board of Directors and shall be brought before the members at the annual membership meeting each year for approval. Dues must be paid annually in accordance with the market rules or member status may be affected. The payment of dues entitles the member to sell at the markets operated by CMFM for the season. An additional weekly fee as determined by the Board of Directors must be posted in the market rules and approved by the members at the annual membership meeting will be collected at each market. Dues are paid per farm unit.

Section 5: Election of Members: The original members of CMFM shall be the incorporators until the initial election of members. All applicants for active, trial and associate(guest vendor) memberships shall file with the Secretary a written application in such form as the Board of Directors shall determine. All applications for membership shall be presented promptly for consideration and investigation to the Board of Directors. The board will respond to any application within two weeks of receipt, and after farm visit or review, will make a determination for membership within two weeks of review. A majority of the entire Board of Directors shall be required for the election of an active, trial or associate. A majority of the membership voting at any regular or special meeting may vote to waive any membership requirements imposed by the by-laws.

Section 6: Requirements for Membership: A vendor who meets the requirements set forth in the CMFM rules as determined by the CMFM board may apply for membership as an active or associate member of the Chatham Mills Farmers' Market.

A. All members must allow an initial farm inspection to be conducted by a special committee designated by the Board of Directors to verify to CMFM that he/she is the original producer of all farm products being sold. The farm inspection must be carried out before an individual will be allowed to sell at any markets operated by the CMFM.

B. Memberships are approved as active, associate, or honorary or rejected by the Board of Directors as stated in Article II, Section 6. The Board of Directors of CMFM shall have the power at any time to determine who is eligible for active, trial, or associate membership and to set a limit on the number of members according to the size and number of markets being operated by CMFM.

C. Memberships are approved as active, trial, or associate (guest vendor), or rejected by the Board of Directors as stated in Article II, Section 6. The Board of Directors of CMFM shall have the power at any time to determine who is eligible for active, trial or associate membership and to set a limit on the number of members according to the size and number of markets being operated by CMFM.

Section 7: Transfer of Membership: Membership in this corporation is not transferable or assignable except as provided in Article II. Section 7.

Section 8: Resignation: Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Section 9: Termination of Membership: The Board of Directors by an affirmative vote of five of the seven members may for cause suspend for a fixed period of time or expel a member. Any member has a right to notice before such action is taken against him. Cause shall be deemed to include but not limited to: (1) failure to submit to or abide by any decisions made by the Board of Directors or to accept any ruling of the membership including the rules of all markets operated by CMFM, (2) selling or offering for sale any products not grown or originally produced by the member's farm unit, (3) failure to pay dues for the period fixed by the by-laws, and (4) failure to adhere to an ethical code governing conduct of sales as adopted by the Board of Directors. If a member is terminated for any of the above reasons the membership fee [annual dues] is not refundable.

Section 10: Reinstatement: Upon written request signed by the former member and filed with the Secretary, the Board of Directors may, by affirmative vote of five of the seven members, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 11: Property: No property rights shall accrue to any member or person and, in case of dissolution, all property assets after payment of debts shall accrue as provided in the charter. No member shall be responsible for or individually liable for any debts or obligations of CMFM.

Section 11: Agents of Members: Members may employ individuals to perform any activities or duties normally performed by the member including selling at markets operated by CMFM provided the employee is under the supervision of the member at all times.

ARTICLE III **MEETINGS OF MEMBERS**

Section 1: Annual Membership Meeting: The annual meeting of the members of CMFM shall be held at a time and place designated by the Board of Directors. This meeting is mandatory for any Active or Trial members. CMFM will also hold an Annual New Member/Vendor Orientation Meeting to acquaint new and prospective members with the market.

Section 2: Regular and Special Meetings: The Board of Directors shall establish a schedule of regular meetings of members. It shall have the authority to select the time and place of such meetings. Special meetings of the members may be called by the Board of Directors as needed.

Section 3: Notice of Meetings: Notice of every annual or regular meeting of members shall be prepared and sent at least 10 days and not more than 30 days prior to the date of the meeting to the last known email or post office address of each member. Such notice will state the object or objects thereof and the time and place of the meeting.

Section 4: Voting: Active members of CMFM are the voting members of CMFM. One vote is allotted per farm unit of active members as stated in Article II, Sections 1, 2, 3. The farm units of active members are designated as active farm units.

Section 5: Quorum: Active members representing 10% of active farm units or no less than 7 active farm units of CMFM shall constitute a quorum. In the event a quorum is not present, a meeting may be adjourned by those members present until a quorum can be obtained.

Section 6: Order of Business: The order of business shall be:

- (1) Roll call of the officers and determination of a quorum.
- (2) Reading and disposition of minutes.
- (3) Report of officers.
- (4) Report of committees.
- (5) Unfinished business.
- (6) New business.
- (7) Program and/or election of Board of Directors.
- (8) Adjournment.

ARTICLE IV **DIRECTORS AND OFFICERS**

Section 1: General Powers and Board: The affairs of CMFM shall be managed by the Board of Directors. The Directors must be residents of the state of North Carolina. The Board will consist of 7 members, up to 3 of which can be community members.. Of the remaining four Board seats, no more than one (or 25%) may be occupied by a non-farm craft vendor. Advisory Board Members may attend meetings, but do not have a vote.

Section 2: Election: the Board of Directors shall be elected by and from the full time members of CMFM at the annual membership meeting. A majority of those voting shall be required to elect each and every Board member. The first Board shall be composed of three members who will serve for one year and four members who will serve for two years. At the first annual membership meeting and thereafter Directors will be elected to replace those whose terms are expiring and will serve for a term of two years.

Section 3: Election of Officers: At the board meeting immediately following each election of directors the Board shall hold a regular meeting and organize by the election of a President, a Vice-President, a Secretary, and a Treasurer (Secretary and Treasurer may be combined into one office of Secretary-Treasurer) each of whom shall hold office until the election and qualification of his/her successor.

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

Section 5: Board Meetings: The meeting of the Board of Directors shall be held at such time and place as the Board may determine.

Section 6: Special Meetings: A special meeting of the Board of Directors shall be held whenever called by the President or by two Board members. Each call for a special meeting shall state the business to be transacted and the time and place of such meeting.

Section 7: Notice of Board Meetings: Notice of regular or special meetings of the Board may be mailed or emailed to each director, or made in person or by telephone. Such notice shall be given at least 7 days before a regular and 1 day before a special meeting. Board meeting dates and locations shall be posted on a calendar on the CMFM website. Board meetings may be attended by all active members of CMFM.

Section 8: Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 9: Compensation: Directors and officers as such shall not receive any stated salaries for their services, but by resolution of the Board, the travel expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director or officer from serving CMFM in any other capacity and receiving compensation for such services [see Amendments to By-laws].

Section 10: Removal: A quorum of the Board of Directors must be met regarding dismissal of a board member.

ARTICLE V **DUTIES OF THE BOARD OF DIRECTORS**

Section 1: Management of Business: The Board of Directors shall have general supervision and control of the affairs of CMFM and shall make all rules and regulations not inconsistent with the law of the state of North Carolina or with these by-laws for the management of the business and guidance of the members, employees, and agents of CMFM. The Board of Directors shall have the authority to promulgate an ethical code of conduct to regulate the activities of members at events sponsored by CMFM or under the general auspices thereof. The Board of Directors shall require proper records to be kept of all business transactions.

Section 2: Employees: The Board of Directors shall have the power to employ or to authorize the employment of such employees as may be deemed necessary and to fix their compensation at a fair market value or a reasonable amount for the services rendered.

Section 3: Insurance: The Board of Directors shall provide for the adequate insurance of the property of the association, or property which may be in possession of the association, or stored by it, and not otherwise adequately insured. In addition, the Board of Directors shall provide adequate insurance covering liability for accidents to all employees and the public.

Section 4: Checks and Drafts: All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of CMFM shall be signed by the Treasurer, provided however that the Board of Directors may authorize any active member to sign any or all such checks, drafts, etc., on behalf of CMFM. Such authority may be general or confined to specific instances.

Section 5: Contracts: The Board of Directors may authorize any officer or employee of CMFM to execute and deliver any instrument in the name and on behalf of CMFM, and such activity may be general or confined to specific instances.

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

Section 7: Audits: From time to time and at least once a year, the Board of Directors shall review the financial records of CMFM. The Treasurer shall deliver an annual written statement on the financial affairs. At least once each year the Board of Directors may secure the services of a competent and disinterested public auditor or accountant and render a report in writing thereon, which shall be submitted to the membership of CMFM.

Section 8: Agreements with Members: The Board of Directors shall have the power to carry out all and any agreements of CMFM with members and others in every way advantageous to CMFM, representing the members and others collectively.

Section 9: Depository of Funds: The Board of Directors shall designate a federally insured bank as the depository for the funds of CMFM.

Section 10: Memberships: The Board of Directors shall elect new members to CMFM, terminate memberships, and reinstate memberships as stated in Article II of these by-laws.

Section 11: Observance of the Rules and Regulations and by-Laws: The Board of Directors shall have the power to enforce the observance by all members of all provisions of the rules and regulations and by-laws.

ARTICLE VI DUTIES OF OFFICERS

Section 1: Duties of the President: The President shall: (1) preside over all the meetings of CMFM and the Board of Directors, (2) call special meetings of the Board of Directors, (3) perform all acts and duties usually performed by an executive and presiding officer, and (4) sign all papers for the Board of Directors except as provided in Article V, Sections 4, 5. The President shall perform such other duties as may be prescribed by the Board of Directors

Section 2: Duties of the Vice-President: The Vice-President shall assist the President, and in the absence or disability of the President, the Vice-President shall perform the duties of the President. The Vice-President shall perform such other duties as may be prescribed by the Board of Directors.

Section 3: Duties of the Secretary and Treasurer: The Secretary shall keep a complete record of all meetings of CMFM and of the Board of Directors and shall have general charge and supervision of the books and records of CMFM. He/she shall serve all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to the office at the annual membership meeting. He/she shall make all reports required by CMFM of the Board of Directors. The Secretary shall keep a complete list of members and farm units, agents, and employees of CMFM and their addresses and telephone numbers. The Treasurer shall perform all duties with respect to the finances of CMFM as may be prescribed by the Board of Directors as provided in Article V, Section 4. He/she shall make a full report of all matters and business pertaining to the office at the annual membership meeting. Upon election of a successor, the Secretary and Treasurer shall turn over all books and other property belonging to CMFM which may be in their possession. The offices of Secretary and Treasurer may be combined into one office of Secretary-Treasurer.

Section 4: Succession of Officers: In case of death, resignation, or inability of an officer to perform the duties of his office, 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 fiscal year of CMFM shall begin on the first day of January and end the last day of December in each year.

Section 2: Inspection of Records: All books and records of CMFM may be inspected by any active or associate member or his/her attorney for any proper purposes at any reasonable time.

Section 3: Committees: Any business function of CMFM may be delegated to a committee of active members by the Board of Directors. These committees shall investigate, plan, regulate, and oversee any function of CMFM within the approval of the Board of Directors. A committee chairman may be elected by a committee unless otherwise provided in these by-laws.

ARTICLE VIII **AMENDMENTS**

Section 1: Amendments to the Charter/Articles of Incorporation: The Charter/Articles of Incorporation may be altered, amended, or repealed only by a two-thirds majority vote of the active membership at any regular or special meeting. Intention to seek a change in the Charter/Articles of Incorporation must be filed with the Secretary in writing at least 10 days before the meeting where it is to be considered and before the notice of such meeting has been provided to members. A change in the Charter/Articles of Incorporation must be passed by a two-thirds majority of the active voting membership present at the meeting.

Section 2: Amendments to the By-Laws: These by-laws may be altered, amended, or repealed and new by-laws adopted only by a majority vote of the active voting membership at any regular or special meeting. Intention to seek a change in the by-laws must be filed with the Secretary in writing at least 10 days before the meeting where it is to be considered and before the notice of such meeting has been provided to members.

Amendment 1: No one farm unit shall hold, at any one time, more than one of the following positions: President, Vice-President, Secretary, Treasurer, or Manager of a market operated by CMFM.

Amendment 2: No one member of CMFM may simultaneously serve as a paid Manager of a market operated by CMFM and as a member of the Board of Directors.

ARTICLE IX **PROCESSES**

Section 1: Complaints to the Board: All complaints must be forwarded to the Board of Directors.

Customer complaints: In cases of a customer complaint, a complaint form will be submitted to a member of the Board of Directors. This form should include: customer name, date, vendor, issue, and contact information. The Board member receiving the complaint will acknowledge receipt of the complaint within 3 days and will forward to the Board of Directors. The Board will collectively determine action to be taken within 1 week, including notifying the vendor of the complaint. Actions to be taken may include: re-inspection, letter of explanation to customer and vendor, or other options as determined by the Board.

Other complaints: Any other complaints must be formally submitted to a Board Member who will acknowledge receipt of the complaint within 3 days and forward to the Board. The Board will collectively determine action to be taken within 2 weeks.

Note: If a complaint is brought against a Board member he/she must recuse him/herself from decision-making process.

Section 2: Market Manager Evaluation: The CMFM Market Manager will be evaluated by the Board of Directors once during the market season and at end of the season (or more often if needed as determined by the Board). Evaluation will be conducted by the CMFM hiring committee and will be based on the CMFM job description. At any time, comments on the performance of the CMFM Market Manager may be forwarded to the CMFM Board, which will determine appropriate action.

Section 3: Employment Processes: CMFM staff should be interviewed by 2 people, who will then make recommendation to the board for a vote. If there is a staffing change during the season, the CMFM Board will elect a board member to serve as interim staff until a replacement is found.

Section 4: Board Communication (Internal and External): Executive Committee consists of President, Vice President, Treasurer and Secretary and may vote on issues or have additional meetings outside of regular board meetings. If any issues arise between board members and/or between a board member and staff, a person on the Executive Committee should be notified immediately – this person becomes the mediator. A meeting with the two parties and mediator should be first option. Following the meeting (or decision against such meeting) the mediator will report to the Board on the situation. If necessary, a full board meeting or executive committee meeting may be called, or the issue may be circulated by the mediator to the entire board. Appropriate action will be decided by the Board. If a board member is a party at issue he/she must recuse him/herself from the decision-making process.

Section 5: Annual Meeting Business: Notice of the Annual Meeting will be mailed or emailed out to full membership at least 30 days in advance. At the Annual Meeting members/vendors will choose locations based on market rules. Board nominations and elections will be held at this meeting. Only active members may vote.