BYLAWS

OF

LINCOLN COUNTY SMALL FARMERS ASSOCIATION

Adoption Date: _____, 20_____

TABLE OF CONTENTS

ARTICLE I. PURPOSE
Section 1. Purpose

ARTICLE II. VOTING MEMBERS
Section 1. Powers of Voting Members
Section 2. Records of Members
Section 3. Dues
Section 4. Selection of Voting Members
Section 5. Qualifications of Voting Members
Section 6. Suspension or Removal of Voting Members
Section 7. Resignation of Voting Members
Section 8. Quorum for Voting Membership Meetings
Section 9. Decision-Making by Voting Members
(A) Decision-Making
(B) Proxy Voting
(C) Voting by Email
(D) Voting by Written Ballot
Section 10. Proxy Voting
Section 11. Annual Voting Member Meeting
Section 12. Other Voting Member Meetings
(A) Regular Meetings
(B) Special Meetings
Section 13. Content of Notice
Section 14. Adjournment to Different Date, Time, or Location
Section 15. Record Date

ARTICLE III. NONVOTING MEMBERS/GENERAL MEMBERS
Section 1. Nonvoting Members

ARTICLE IV. BOARD OF DIRECTORS
Section 1. Duties of the Board
Section 2. Records of Directors
Section 3. Qualifications of Directors and Composition of the Board
Section 4. Number of Directors
Section 5. Terms of Directors
Section 6. Selection of Directors
Section 7. Removal of Directors
Section 8. Resignation of Directors
Section 9. Filling Vacancies
Section 10. Conduct of Directors
Section 11. Quorum

Section 12. Decision-Making and Voting
Section 13. No Proxy Voting
Section 14. Remote Meetings
Section 15. Decisions by Email
Section 16. Meetings
Section 17. Executive Session Meetings
Section 18. Notice of Meetings
Section 19. Authority of Directors

ARTICLE V. OFFICERS AND STAFF
Section 1. Officers
Section 2. Election and Term of Office
Section 3. Removal
Section 4. Vacancies
Section 5. President
Section 6. Vice-President
Section 7. Secretary
Section 8. Treasurer
Section 9. Chair
Section 10. Executive Director/Market Manager and Staff

ARTICLE VI. COMMITTEES
Section 1. Establishment
Section 2. Executive Committee
Section 3. Board Level Committees
Section 4. Non-Board Level Committees
Section 5. Financial Oversight Committee
Section 6. Committee Members
Section 7. Committee Chairs
Section 8. Limitation on Powers

ARTICLE VII. MISCELLANEOUS PROVISIONS
Section 1. Compensation of Officers and Directors
Section 2. Conflict of Interest
Section 3. Financial Controls
Section 4. Tax Year
Section 5. Written Documents
Section 6. No Discrimination

ARTICLE VIII. AMENDMENTS
Section 1. Amendment of the Articles of Incorporation and Bylaws

CERTIFICATE OF SECRETARY

NOTE: The Oregon Nonprofit Corporation Act (ORS Chapter 65) both establishes and limits the powers and procedures available to nonprofit corporations. Where any questions arise about the meaning of these Bylaws, or where these Bylaws are silent on an issue, the Oregon Nonprofit Corporation Act should be consulted. If you would like assistance in updating, amending or interpreting these Bylaws, contact Center for Nonprofit Law.

BYLAWS

OF

LINCOLN COUNTY SMALL FARMERS ASSOCIATION

ARTICLE I. PURPOSE

Section 1. Purpose. The purposes of the Corporation are exclusively those allowed for organizations defined under §501(c)(6) of the Internal Revenue Code. Within these limits, the purposes of Corporation include the following: associate agricultural producers and other farm market and craft vendors for their economic benefit through joint action in marketing locally grown agricultural products and locally made goods and cottage food items directly from the producer to the consumer in Lincoln County, Oregon. Our mission is to build markets to be profitable outlets for local agriculture and valuable sources of fresh foods for consumers.

ARTICLE II. VOTING MEMBERS

Section 1. Powers of Voting Members. The Corporation shall have Voting Members. Voting Members have the power to: (a) elect and also to remove the Directors on the Corporation's Board of Directors, to vote on any amendments to these Bylaws or the Articles of Incorporation that relate to the number of Directors, the composition of the Board, the term of office of Directors, or the method or way in which the Directors are elected or selected; (b) establish the qualifications of Voting Members and vote on any amendment to these Bylaws or the Articles of Incorporation which would reduce or eliminate any right of a Voting Member; (c) vote to sell, transfer, lease, exchange, option, convey, or otherwise dispose of substantially all of the Corporation's assets, to merge the Corporation's assets with the assets of another entity, or to dissolve the Corporation; (d) vote on any other matters properly put before the Voting Members for an advisory vote by the Board of Directors; and (e) inspect and copy corporate records as set forth in ORS 65.774.

The Voting Members do not have the power to make binding or enforceable decisions on matters reserved for the Board of Directors, including adopting budgets, authorizing expenditures, setting policies, or determining the Corporation's programs and activities.

Section 2. Records of Members. The Secretary shall ensure that the Corporation maintains a current formal record of the names, contact information, and status of Voting Members. The contact information of Voting Members must be in the form of a street address, mailing address, or electronic address at which the Voting Member elects to receive notices and other messages from the Corporation.

Section 3. Dues. Annual dues, if any, will be set by the Board of Directors. Notwithstanding the provision in these Bylaws relating to the suspension or removal of a Voting Member, a Voting Member may be automatically suspended or removed for the nonpayment of dues without a hearing or opportunity to be heard.

Section 4. Selection of Voting Members. The Incorporator or the Board of Directors, whichever acts to do so first, shall appoint the initial Voting Members. The corporation shall have one class of voting members. Any person, firm, partnership, LLC, agriculture producer, crafter (provided the craft is made by the crafter), corporation or association, who or which agrees to be a patron of the Association, signs and abides by a Membership Agreement with the Association and the Association's Market Rules and Regulations, and meets other conditions as may be prescribed by the Board of Directors, may become a member of the Association. All applications for membership must be approved by the Board of Directors. Voting Member status is effective as of the time the Board approves the application for membership, and the member pays the nonrefundable membership fee set by the board. If at any time there are no Voting Members, the Board of Directors shall admit any number of members that it deems to be in the best interests of the corporation. No person shall be admitted as a member without their consent, express or implied.

Section 5. Qualifications of Voting Members. Clarifications of the criteria for the qualification or selection of Voting Members, including representation of certain constituencies or required participation in the activities of the Corporation, may be set by a resolution of the Board of Directors so long as they do not contradict the provisions of these Bylaws.

Section 6. Suspension or Removal of Voting Members. A Voting Member may be suspended or removed by a majority vote of the Board of Directors for serious misconduct which adversely affects the interests or reputation of the Corporation.

Before the Board of Directors can suspend or remove a Voting Member, the Corporation shall provide prior written notice of the suspension or expulsion to the Voting Member which states the reason(s) for the suspension or removal at least fifteen (15) days prior to the meeting at which removal will be considered. Further, there must be an opportunity for the Voting Member to be heard, orally or in writing, by the Board of Directors, or persons authorized to withdraw the proposed suspension or removal not less than five (5) days before the effective date of the suspension or removal.

A Voting Member who has been suspended or removed is liable to the Corporation for dues, if any, incurred by the Voting Member before the effective date of the Voting Member’s suspension or removal.

Section 7. Resignation of Voting Members. Any Voting Member may resign at any time by

sending or delivering a written resignation to the President or Secretary of the Corporation. A Voting Member's resignation is irrevocable upon receipt by the Corporation. If a Voting Member resigns, and then subsequently desires to re-establish Voting Membership, the individual must reapply for Voting Membership as if the individual had never been a Voting Member.

Section 8. Quorum for Voting Membership Meetings. A quorum will consist of at least ten percent (10%) of the Voting Members in good standing.

Section 9. Decision-Making by Voting Members. The affirmative vote of at least a majority of the Voting Members present at a properly called meeting, for which a quorum has been achieved, is necessary and sufficient to make decisions or pass resolutions of the Voting Members, unless a greater proportion is required by law, the Articles of Incorporation, or these Bylaws. An abstention counts as part of the total number of votes cast and does not reduce the number of affirmative votes required to pass a motion. All decisions require a clearly stated motion, a second, and a vote. All motions which are successfully adopted must be recorded in the written minutes.

Section 10. Proxy Voting. Proxy voting will not be allowed at any meeting of the Voting Members or as part of reaching any decision of the Voting Members.

Section 11. Annual Voting Member Meeting. There must be an Annual Meeting of the Voting Members which will be held to elect Members to the Board of Directors. It will be held during the fourth (4^{th}) quarter of the calendar year at a time and location determined by resolution of the Board of Directors.

Written notice of the Annual Meeting must be sent by first class mail or email, as directed by the individual Voting Member, to all Voting Members entitled to receive notice, at the mailing address or email address provided by the Voting Member as it appears in the corporate records, at least fourteen (14) days in advance of the meeting. If necessary to ensure that all Members receive notice of meetings, the Corporation may also inform its Voting Members of a meeting by posting the notice to their website, Facebook page, or other online platforms where Voting Members can easily view the notice.

At the Annual Meeting, Voting Members will hear and consider reports from the Board of Directors or Officers concerning the activities, management, and budget of the Corporation. Voting Members will then elect the Directors and vote on any other matters for which proper notice was given. Voting will be by secret ballot if any Voting Member or Director so requests. The failure to hold an Annual Meeting does not affect the validity of any Corporate action. A Voting Member who is not physically present at a membership meeting may participate by remote communication if approved by the Board of Directors no less than 24 hours prior to the meeting. Voting Member requests for participation by remote communication shall not be unreasonably withheld. Each Voting Member is entitled to cast only one (1) vote.

Section 12. Other Voting Member Meetings.

(A) Regular Meetings. The Corporation may hold a series of regular meetings of the Voting Members at times and locations set by the Board of Directors or Officers. A single notice sent by first class mail or e-mail, as directed by the individual Voting Member at least seven (7) days in advance of the beginning of the series of regular meetings will be sufficient and no further notice is required so long as the meeting dates and times which were announced do not change. If necessary to ensure that all Members receive notice of meetings, the Corporation may also inform its Voting Members of a meeting by posting the notice to their website, Facebook page, or other online platforms where Voting Members can easily view the notice.

(B) Special Meetings. Special meetings of the Voting Members may be called by the President, by the Board of Directors, or by a quorum of the Voting Members. Notice for a special meeting must be mailed by first class mail or e-mail, as directed by the individual Voting Member at least seven (7) days in advance of the meeting and must specify the purpose(s) for which the meeting is called. If necessary to ensure that all Members receive notice of meetings, the Corporation may also inform its Voting Members of a meeting by posting the notice to their website, Facebook page, or other online platforms where Voting Members can easily view the notice. Only the business for which a special meeting is called may be considered at the meeting.

Section 13. Content of Notice. The Voting Member meeting notice must contain the date, time, location, and when required, the purpose(s) of the Voting Member meeting. Notices of special meetings always require a statement of the purpose(s) for which the meeting is called. If amendments to these Bylaws or the Articles of Incorporation will be considered, the notice must state this fact and either the exact wording or a summary of the amendments to be considered. Additionally, if dissolution, merger, or the sale of substantially all of the Corporation's assets is to be considered at the meeting, the notice must state this fact with a brief description of the matter to be considered.

Section 14. Adjournment to Different Date, Time, or Location. If a Voting Member meeting is adjourned to a different date, time, and/or location, notice does not have to be given of the new date, time, and/or location if the new date, time, and/or location is announced at the Voting Member meeting before adjournment. However, if the persons entitled to vote at the Voting Member meeting change after the adjourned meeting and before the subsequent meeting, a new meeting notice must be given to each Voting Member.

Section 15. Record Date. The record date to determine the Voting Members entitled to receive notice and vote at a Voting Member meeting will be thirty (30) days before the date of the meeting unless the Board of Directors authorizes the use of a different date.

ARTICLE III. NONVOTING MEMBERS/GENERAL MEMBERS

Section 1. Nonvoting Members. The Corporation may have nonvoting members at the discretion of the Board of Directors. Nonvoting members may be allowed to participate in the market with a onetime nonrefundable fee to be determined by the Board of Directors. The payment of the fee and participation in the market, however, shall not confer on the nonmember any of the member rights contained within these bylaws or ORS Chapter 65.

The Board of Directors may establish different categories of nonvoting membership and determine or alter any obligations and privileges of members in those categories by ordinary resolution. The nonvoting members will not have the power to vote on the election of Directors or Voting Members, or to participate in a binding vote on corporate matters.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Duties of the Board. The Board of Directors shall exercise, delegate, or otherwise authorize the exercise of all corporate powers and shall direct the management of the Corporation's affairs. Such management includes, but is not limited to the following: (a) establish the Corporation's policies and review and change them as necessary, (b) oversee its programs, (c) appoint or employ and supervise its Executive Director/Market Manager or head of staff, (d) authorize its expenditures, (e) oversee its financial affairs, and (f) ensure the proper management and use of its assets and property. Whenever the Board of Directors delegates any of its authority or responsibility, the Board of Directors shall retain ultimate authority and responsibility over any matter delegated. The Board of Directors must also ensure that the Corporation: (a) properly employs the necessary corporate formalities to make its decisions, (b) prepares and submits all required state and federal reports, and (c) operates in compliance with relevant state and federal laws. Board Directors must diligently prepare for, attend, and participate in the meetings of the Board of Directors and any Board committees as needed, in order to carry out these tasks. The role of the Board of Directors does not include direct management or conduct of the daily operations of the Corporation.

Section 2. Records of Directors. The Secretary shall ensure that the Corporation maintains a current formal record of the names, contact information, and status of Directors. The contact information of Directors must be in the form of a street address, mailing address, or electronic address at which the Director elects to receive notices and other messages from the Corporation.

Section 3. Qualifications of Directors and Composition of the Board. Nominees for positions on the Board of Directors must have demonstrated a commitment to the mission and purposes of the Corporation and must have expertise in areas relevant to the needs of the Corporation. All nominees for positions on the Board of Directors must be: 1) Voting Members in good standing, 2) at least 18 years old, and 3) no more than one (1) Director may be a member of the same

family or household. For purposes of this section 3, a Family or Household Member is a person's spouse, domestic partner, parent, child, sibling, grandparent, grandchild, stepparent, stepchild, stepsibling, or any person who shares the person's primary household.

Section 4. Number of Directors. The Board of Directors must consist of no fewer than five (5) and no more than ten (10) Directors. The Voting Members may pass a resolution increasing the size of the Board, and then may elect new Directors at that same meeting or at a later time to fill the newly created positions. Directors elected in this manner shall serve until the next regularly scheduled annual meeting at which time they may be re-elected for a full term of office.

Section 5. Terms of Directors. Directors will serve two (2) year terms of office. The election of Directors will take place at the Annual Membership Meeting which will be held during the fourth (4^{th}) quarter of the calendar year at an exact time and place set by the Board of Directors. The Directors term of office shall begin on January first (1^{st}) and end December thirty first (31^{st}). However, unless they formally resign or are removed from office, Directors will remain in office until their successors are properly elected, designated, or appointed. There is no limit to the number of terms, successive or otherwise, a Director may serve.

Section 6. Selection of Directors.

(A) Nominations. Nominations for new Members of the Board of Directors may be made by the Board of Directors, by individual Directors, or by Voting Members.

(B) Election Process. Voting Members shall vote separately for each person nominated to be elected to serve on the Board of Directors. The vote must be by a secret ballot if any nominee so requests.

(C) Election Policy and Procedures. The Board of Directors may prepare and adopt by resolution, a formal written policy regarding the details of the Board election process, including requirements for the announcement of elections and the solicitations of nominations, the role of a nominating committee, and the schedule and procedures that must be used to hold elections.

Section 7. Removal of Directors.

(A) Directors may be removed with or without cause by a majority vote of the Voting Members present at, or participating remotely in a meeting so long as a quorum was present or participating not including the Director to be removed. The vote of the Director to be removed shall not be counted, if that person is a Voting Member. The vote shall be by a secret ballot if any Voting Member so requests.

(B) Whenever the removal of a Director will be considered at a meeting of the Voting Members or Board of Directors, proper notice must be given in advance stating that the removal of a Director will be considered and voted on.

(C) Directors may also be removed by a two-thirds vote of the Directors then in office, not including the Director whose removal is being considered.

Section 8. Resignation of Directors. A Director may resign at any time. The resignation of a Director must be in writing, signed and delivered to the President or Secretary of the Corporation. Once delivered, a notice of resignation is irrevocable. If a Director resigns, and then subsequently desires to re-establish their position on the Board of Directors, the individual must be re-elected anew. Resigning from the Board does not remove a person from the Voting Membership.

Section 9. Filling Vacancies. The Board of Directors may, by a majority vote, elect new Directors to fill any vacancies on the Board of Directors. A Director elected to fill a vacancy will serve the remainder of the term normally associated with that position.

Section 10. Conduct of Directors. Directors must discharge their duty of loyalty and their duty of diligence in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Director reasonably believes to be in the best interest of the Corporation.

Section 11. Quorum. At all meetings of the Board of Directors the presence or participation of a quorum, which is at least a majority of the number of Directors in office immediately before the meeting begins, is necessary to allow the transaction of corporate business or the making of corporate decisions. If at any time during an official meeting of the Board of the Directors the number of Directors required to establish the quorum is lost for any reason, no corporate business or making of corporate decisions shall be allowed unless and until a quorum is re-established.

Section 12. Decision-Making and Voting In-Person and Remotely. All decisions require a clearly stated motion, a second, and a vote that must be recorded in the written minutes. Each Director of the Board of Directors will have one (1) vote. Except as otherwise provided in these Bylaws, at the request of any Director, the names of each Director who voted for, voted against, or abstained on a particular motion will be recorded in the minutes.

The Directors must diligently and conscientiously attempt to make decisions by consensus and give careful consideration to minority views. When a consensus apparently cannot be achieved, any Director may request that a vote be taken. The affirmative vote of at least a majority of all of the Directors participating in any properly called meeting at which a quorum is present, is necessary and sufficient to make a decision of the Board of Directors unless a greater

proportion is required by law or by these Bylaws. An abstention counts as part of the total number of votes cast and does not reduce the number of affirmative votes required to pass a motion.

Section 13. No Proxy Voting. No proxy voting is allowed at any meeting of the Board of Directors or as part of reaching any decision of the Board.

Section 14. Remote Meetings. Meetings may be held or individual Directors may participate in meetings by telephone, video conferencing, internet-based communication, or any other method, so long as all participating Directors can simultaneously hear and speak with each other. A Director participating in such a meeting is deemed present for purposes of a quorum and voting.

Section 15. Decisions by Email. Voting by email is authorized by the Board of Directors. Unless prohibited or limited by the Articles of Incorporation or these Bylaws, any decision or action which may be made by the Board at any annual, regular, or special meeting of the Board of Directors may be made by email without a meeting if: (1) The Corporation has a record of all Directors email addresses; and (2) The Corporation maintains a copy of the announcement and a record of the Directors' votes with the corporate records. Electronic signature, whether from the email address of the Director's address of record or through reliable third-party electronic signature platforms, shall have the same legal force and effect as hard copy ink signatures.

The Board President, Secretary, Executive Director/Market Manager, or their designees, are all authorized to send electronic announcements for a vote to the entire Board of Directors. The electronic announcement shall be sent to each Director at the email address stored in the corporate records and shall include: (1) A description of the action to be taken; (2) a deadline to respond with a vote which may not be less than forty-eight (48) hours; (3) a statement that a Director may change their vote any time prior to the deadline; and (4) an effective date if the action is intended to be effective at a date which is later than the deadline date. Voting by electronic mail does not require a second.

The affirmative vote of a majority of all Directors in office is an act of the Board of Directors if the action is taken pursuant to this section, unless a greater number of affirmative votes for the proposed action is required by law, the Articles of Incorporation, or these Bylaws.

Section 16. Meetings. The Board of Directors must meet at least four (4) times per year and shall strive to do this by meeting at least once each quarter of the year. Robert's Rules of Order may be consulted for guidance but shall not be binding.

Section 17. Executive Session Meetings. The Board or the President, may at any time decide to go into an Executive Session meeting. Executive Session shall be used when the Board of Directors deems it is necessary to protect the confidentiality of the matters that will be

considered there. Executive Session meetings may be attended only by Directors, and any guests the Board invites to join the meeting, which may include the Executive Director/Market Manager, other staff, or any other person the Board wishes to invite. A Director may only be excluded from any portion of Executive Session meetings in which matters will be considered that present a conflict of interest for that Director. Minutes shall be properly recorded. The Secretary shall take care to record in the minutes only the motions passed and information essential to comply with the law in order to protect the confidential nature of Executive Sessions.

Section 18. Notice of Meetings.

(A) Notice must be given to every Director of the Board for every meeting of the Board of Directors, stating the date, time, and location of the meeting, and the purpose of the meeting if required by law or these Bylaws. The notice must be given not less than forty-eight (48) hours in advance of the meeting if delivered by e-mail, telephone conversation, or in person, and not less than seven (7) days in advance if delivered by first class mail, e-mail, or fax to an address provided by the individual Director.

(B) After the initial notice is given of the schedule for a series of regular meetings, which will occur at a fixed time and place, no further separate notice is required for each of those regular meetings. Notice must state the time, date, and location of the meetings and be delivered to all Directors. The Board of Directors may by resolution establish or change the dates of regularly scheduled meetings, with proper notice given to all Directors.

Section 19. Authority of Directors. The President and/or the Market Manager shall be the official spokesperson(s) for the Corporation and may represent the Corporation and its positions whenever appropriate. No Director other than the President may officially represent the positions of the Corporation or speak or make agreements on behalf of the Corporation without specific approval by the Board of Directors.

ARTICLE V. OFFICERS AND STAFF

Section 1. Officers. The Officers of the Corporation shall carry out the policies and decisions of the Board of Directors as directed by the Board. The Officers must include a President, Secretary, and Treasurer. The Board of Directors may also elect one or more Vice Presidents, Chairpersons, and other Officers as desired. The same person may not hold any two of the offices of President, Secretary, or Treasurer at the same time, but the same person may hold any other two (2) or more offices. Officers must serve simultaneously as Directors.

Section 2. Election and Term of Office. The Officers of the Corporation will be elected by the Board of Directors. As soon as possible following the election of Directors, the Board of Directors will meet to elect new Officers of the Corporation. Initial Officers shall serve only until

the next Annual Meeting, when initial Officers may be re-elected and any new Officers will be elected by the then current Board of Directors. All subsequent Officers will serve two (2) year terms. However, unless they resign in writing or are removed from office, Officers will remain in office until their successors are properly elected, designated or appointed. There is no limit to the number of terms, successive or otherwise, an Officer may serve.

Section 3. Removal. Any Officer elected by the Board of Directors may be removed by a majority vote of all the Directors in office whenever, in its judgment, the interests of the Corporation would be best served by such removal. Removal will be without prejudice to the contract rights, if any, of the Officer so removed. The Officer being considered for removal has no vote in the process of removal. The removal of an individual as an Officer shall have no effect on the individual's status as a Director, unless the Board or Voting Members, whichever is appropriate, also remove the individual as a Director.

Section 4. Vacancies. If any office of the Corporation becomes vacant by death, resignation, retirement, removal, disqualification, or any other cause, a majority of Directors still in office may elect any eligible individual to fill such a vacancy. The elected Officer will hold office for the remaining portion of the term of that office.

Section 5. President. The President is the principal Officer of the Corporation and will, in general, supervise or oversee the supervision of all of the affairs of the Corporation. The President generally will preside at all meetings of the Board of Directors unless the Board selects another person to preside. The President will also perform other duties as may be assigned by the Board of Directors. The President may serve as an ex-officio member of any committee.

Section 6. Vice-President. The Board of Directors may elect a Vice President. If the Corporation has a Vice President, the Vice President will perform the duties of the President in the absence of the President or in the event of the President's inability to act. The Vice President, when acting as President, will have all the powers of and is subject to all the restrictions on the President. The Vice President may also perform other duties assigned by the Board of Directors. More than one Vice President position may be created, and duties clarified, in an ordinary resolution of the Board of Directors.

Section 7. Secretary. The Secretary will perform or oversee the performance of the following duties: (a) record and keep the minutes of the meetings of the Voting Members, Board of Directors, and Board committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records; (d) keep a register of the contact information of each Voting Member as provided by such member; (e) keep a register of the contact information of each Director on the Board of Directors as provided by such Director; (f) ensure that all required state and federal reports are prepared and filed in a timely fashion; and (g)

perform or oversee all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors. The Secretary may delegate some or all of these tasks but remains responsible for their proper completion.

Section 8. Treasurer. The Treasurer will perform or oversee the performance of the following duties: (a) ensure the proper management and control of all funds of the Corporation; (b) prepare full and accurate financial records on a timely basis of all the income, expenses, and assets of the Corporation; (c) ensure that written financial statements and reports on the financial affairs of the Corporation are presented to the Board of Directors at least once each quarter at a meeting of the Board of Directors; and (d) provide financial information necessary to prepare and file the required reports to state and federal government agencies, showing the income, disbursements, and assets of the Corporation. The Treasurer may delegate some or all of these tasks but remains responsible for their proper completion.

Section 9. Chair. The Board of Directors may elect a Chair and determine their duties.

Section 10. Executive Director/Market Manager and Staff. The Board of Directors may appoint or employ an Executive Director, who will also be referred to as the Market Manager, or other staff, whether paid or unpaid, to perform and conduct the programs and activities of the Corporation. The Board of Directors shall evaluate the performance of the Executive Director/Market Manager on an annual basis. Unless the Board of Directors determines otherwise, the Executive Director/Market Manager will have the power, subject to the approval of the Board of Directors, to hire staff, establish staff duties and performance standards, evaluate the performance of staff, and when necessary terminate the employment of staff of the Corporation. The Executive Director/Market Manager shall receive notice of all meetings of the Board of Directors and Executive Committee meetings, and shall ordinarily attend all Board meetings, except when the Board goes into Executive Session to meet without the Executive Director/Market Manager present.

ARTICLE VI. COMMITTEES

Section 1. Establishment. The Board of Directors may establish any committee, including standing committees or temporary committees, by a resolution of the Board. Such resolutions must name the committee and the purpose of the committee. The establishment of an Executive Committee must be done in accordance with the procedures stated below.

Section 2. Executive Committee.

(A) The Board of Directors may establish an Executive Committee of the Board to make decisions as deemed necessary between meetings of the full Board, and may delegate to the Executive Committee the power of the Board to authorize expenditures and amendments to budgets, set policies, and authorize programs or activities. The Executive Committee shall be

established only by the affirmative vote of at least a majority of all Directors then in office. The Executive Committee shall consist of the Officers so long as they are simultaneously serving as members of the Board of Directors. The Executive Committee may also have up to two (2) other Directors if their membership on the Executive Committee is approved by the affirmative vote of a majority of all Directors then in office. The Executive Committee shall not have any members who are not simultaneously Directors. The Board may place substantive restrictions or limits on the powers of the Executive Committee and may also require certain procedures for the Executive Committee to follow. The Executive Committee must make reasonable efforts to communicate with the full Board in advance regarding the issues and decisions that will be considered or voted on at Executive Committee meetings.

(B) The Executive Committee must comply with the provisions of these Bylaws concerning meetings and decisions of the full Board of Directors, including the requirements for notice, quorum, voting and decision-making, the preparation and subsequent adoption of minutes of Executive Committee meetings, and the permanent storage of those minutes. All Executive Committee decisions must be recorded in official minutes, which must be provided to the full Board.

Section 3. Board Level Committees. In addition to the Executive Committee, the Board may establish other committees delegated with the power of the Board of Directors to accomplish specific tasks, including but not limited to: (a) making Board decisions, (b) authorizing expenditures, (c) adopting budgets, (d) setting policies, or (e) establishing programs. These types of committees are “Board Level Committees.” Board Level Committees must consist of two (2) or more Directors and shall not have any members who are not simultaneously Directors. Such committees shall be established by resolution adopted by the Board at a properly called meeting and shall specifically state the authority of the Board being delegated to the committee.

Section 4. Non-Board Level Committees. The Board may establish any other working or advisory committee, that may be composed of Board or Non-Board members, that it deems appropriate. These are all “Non-Board Level Committees” which do not have the power to make Board level decisions, authorize expenditures, adopt budgets, set policy, or establish programs. Non-Board Level Committees shall be established by a resolution adopted by the Directors present at a properly called meeting. Any person may be a member of such a committee whether or not that person is a Director. Such committees may include a nominating committee, financial oversight committee, budget committee, personnel committee, and any number of working committees and advisory committees.

Section 5. Financial Oversight Committee.

(A) As soon as reasonably possible, the Board shall establish a Non-Board Level Committee responsible for financial oversight of the Corporation’s income and expenses, which shall be

named the Financial Oversight Committee. The committee must consist of two (2) or more persons, including at least one (1) person with some financial experience or experience with bookkeeping who is not the Corporation's check signer or bookkeeper. The committee shall be responsible for overseeing the Corporation's financial transactions and the implementation of the Corporation's financial policies. As part of its mission, the committee shall review on a monthly basis, or oversee a monthly review of, the Corporation's expenditures, financial transactions, bank statements, returned checks, and credit card statements. The committee shall report any questions or concerns about the Corporation's finances to the Board. The committee shall also make the necessary arrangements for and oversee the Corporation's annual audit or annual financial review.

(B) Annual Financial Assessment. The Financial Oversight Committee shall perform an annual audit, financial review, financial compilation, or financial assessment. This need not be a formal audit but must at least involve a sufficiently thorough review of the Corporation's financial records so that it would likely discover any misuse, embezzlement, or theft of the Corporation's funds or assets. The financial oversight committee described above shall ensure that the resulting report is presented to the entire Board of Directors.

Section 6. Committee Members. The Board shall appoint the members of committees, or for committees other than the Executive Committee the Board may delegate this task to the President or the Committee Chair. The term of office of a member of a committee will continue until their successor is appointed unless the committee is terminated, the member resigns or is removed from the committee, or the member ceases to qualify as a member of the committee.

Section 7. Committee Chairs. One member of each committee will be selected or appointed Committee Chair by the Board, or if the Board wishes, it may delegate that power to the President or to the members of the committee.

Section 8. Limitation on Powers. No committee may (a) elect, appoint, or remove any Officer, any Director of the Board of Directors, or member of the Executive Committee; (b) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; (c) authorize the dissolution of the Corporation or revoke proceedings therefore; (d) amend, alter, or repeal the Articles of Incorporation, these Bylaws, or any resolution of the Board of Directors; or (e) authorize the payment of a dividend or any part of the income or profit of the Corporation to its Directors, Officers, or any other person or entity.

The Board of Directors shall always have the power to amend, alter, or repeal the decisions of committees, subject to limitations on the unilateral amending of contracts, interference with third party rights, and other legal limitations.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Section 1. Compensation of Officers and Directors. No Officer or Director will receive any compensation for fulfilling the responsibilities of a Director of the Board or of an Officer as defined in these Bylaws. However, the Corporation may pay compensation to Officers and Directors for other services performed as employees or independent contractors as long as the required rules for conflicts of interest are followed. Directors and their relatives who receive regular compensation from the Corporation must always constitute less than a majority of the Board. Officers and Directors may be given reimbursement for actual expenses incurred in the course of fulfilling their responsibilities, subject to Board approval.

Section 2. Conflict of Interest. The Board of Directors shall adopt a conflict of interest policy consistent with IRS regulations. A conflict of interest is always present whenever the Corporation pays money or other compensation, or provides any tangible benefits, to an Officer or Director of the Board of Directors or to a Director's or Officer's family member. All transactions involving conflicts of interest must be approved using the following procedures: (1) conflict of interest transactions must be approved by the full Board of Directors; they cannot be approved by the President, Executive Committee, Executive Director/Market Manager, or other staff. (2) Directors and Officers who have a conflict of interest in any matter must (a) declare the existence of any direct or indirect conflict of interest, (b) disclose the details of the proposed transaction on the record, (c) abstain from voting on that matter, and (d) leave the room where the vote is to take place, until the votes have been counted. The minutes must record this to show that it was done. (3) The rest of the Board of Directors must analyze the transaction and sufficient information to ensure that all transactions involving a conflict of interest are fair to the Corporation and that no special benefits are being given to any person. The information relied upon by the Board of Directors, and its source, must be recorded in the minutes. (4) All conflict of interest transactions must be approved by the affirmative vote of a majority of all of the Directors who do not have a conflict of interest involved in that issue as long as no less than two (2) disinterested Directors vote to approve the transaction.

All Directors and Officers must sign a disclosure of all conflicts of interest and update it if that disclosure needs to be changed.

Section 3. Financial Controls. The Board of Directors shall adopt formal Board policies that provide a system of financial controls that are adequate to prevent the misuse, embezzlement, or theft of the Corporation's funds and assets and that would discover if those problems or crimes occurred. Those financial policies shall require that there must be three (3) separate levels of financial operations, and that those operations shall be performed by different people: (a) those with the authority to spend the Corporation's money; (b) those who are the bookkeeper(s) who record and track the income and expenditures; and (c) those who oversee the bookkeeping system and the expenditure of funds. This means that the persons who have authority to sign the Corporation's checks or use its credit cards shall not be allowed to also serve as the Corporation's bookkeeper(s); and that the Corporation's bookkeeper(s) shall not be given permission or authority to spend the Corporation's money, sign its checks, or use its credit

cards.

Section 4. Tax Year. The tax year of the Corporation is the calendar year.

Section 5. Written Documents. Wherever these Bylaws require a written document, such document may be created, stored, or transmitted by electronic means in lieu of a physical, hard, or paper copy of the document. Notwithstanding the foregoing, the Corporation shall strive to store corporate documents as both electronic and physical documents whenever practicable.

Section 6. No Discrimination. In the delivery of its services to the public, the Corporation does not discriminate for or against any person on the basis of ethnicity, nationality, place of origin, religion, gender, sexual orientation, marital status, familial status, economic status, age, or mental or physical disability.

ARTICLE VIII. AMENDMENTS

Section 1. Amendment of the Articles of Incorporation and Bylaws. The Board of Directors may amend or restate the Articles of Incorporation or these Bylaws, and the affirmative vote of at least two-thirds (2/3) of the entire Board of Directors is necessary and sufficient to do so. Provided, however, that only the Voting Members may approve amendments that relate to: (a) the number of Directors, (b) the composition of the Board, (c) the term of office of Directors, (d) the method or way in which the Directors are selected or removed, (e) the way in which the Voting Members are selected or removed, or (f) the qualifications of Voting Members. The affirmative vote of two-thirds (2/3) of Voting Members participating in the vote is necessary and sufficient for the approval of such amendments. Proper written notice must be given at least seven (7) days in advance, and must include either a written copy or written summary of the proposed amendments.

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CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that the foregoing Bylaws constitute the Bylaws of Lincoln County Small Farmers Association as duly adopted by the Board of Directors on the _____ day of _____, 20___.

Signed this ____ day of _____, 20____.

Signature_____
Title: Corporate Secretary, Lincoln County Small Farmers Association

Printed Name_____