

**BYLAWS
OF
TWIN CITIES CO-OP PARTNERS, INC., INC.**

Effective July 1, 2017

**ARTICLE I.
OWNERS**

1.1 **Eligibility.** Ownership in Twin Cities Co-op Partners, Inc., Inc. (the "Cooperative") shall be open to any individual, household, firm, cooperative, nonprofit corporation or other entity that is in accord with the Cooperative's purposes and is willing and able to accept the responsibilities of ownership.

1.2 **Nondiscrimination.** Ownership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

1.3 **Admission.** On the effective date of the consolidation that formed the Cooperative, all of the eligible members or owners of Linden Hills Community Cooperative, Inc. and Wedge Community Co-op, Inc. were automatically admitted to ownership as specified in the consolidation plan dated July 1, 2017 (the "Consolidation Plan"). Thereafter, any eligible person or entity may be admitted to ownership upon submitting an application in writing on a form provided by the Cooperative and purchasing one (1) share of Class A stock and shares of Class B stock in an amount and on such terms as may be determined from time to time by the board of directors (the "Board"), and meeting other reasonable conditions of ownership as established by the Board. Each application shall be acted on by the Board at the first meeting of the Board following receipt of the application. The Board shall have full authority to approve or reject a membership application based on policies established and approved by the Board. A copy of the Articles of Incorporation and Bylaws of the Cooperative shall be made available to each new owner upon request to the Board.

1.4 **Rights.** Owners have the right to elect the Cooperative's Board, to attend meetings of the Board, to receive notice of and attend ownership meetings, to petition as described in these Bylaws, and to approve amendments to these Bylaws. Each owner shall have one vote and no more on all matters submitted to owners. Each corporate or household member shall designate one person to vote on its behalf. The rights of owners to vote and to participate in meetings shall be understood to apply only to active owners in good standing. Active owners in good standing include, at the record date for voting or at any other time of determination, owners whose ownership has not terminated, who are in compliance with the responsibilities of owners and who have patronized the Cooperative during the last twelve (12) months prior to the record date. All rights and responsibilities of owners are subject to the Bylaws, as they may be amended from time to time, and the policies and decisions of the Cooperative and the Board.

1.5 **Responsibilities.** Owners shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these Bylaws, as they may be amended from time to time, and the policies and decisions of the Cooperative and the Board.

1.6 **Termination of Ownership.** An owner may terminate his/her/its ownership voluntarily at any time by written notice to the Cooperative. Ownership may be terminated involuntarily by the Board for cause after the owner is provided fair notice of the reasons for proposed termination and has had an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative's Bylaws or policies, actions that impede or will impede the

Cooperative from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its owners, willful obstruction of any lawful purpose or activity of the Cooperative, or breach of any contract with the Cooperative. Ownership is automatically terminated if an owner shall die or cease to exist.

1.7 **Return of Equity.** Equity shall be returned upon termination of ownership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary.

1.8 **Non-transferability.** Ownership rights and owner equity may not be transferred in any manner, except that owner equity may be transferred to a successor on death or to a successor entity on dissolution or in a merger with the consent of the Board (which may be given in a policy of general application).

ARTICLE II. OWNER MEETINGS

2.1 **Annual Meeting.** An ownership meeting shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect the Cooperative, and to transact such other business as may properly come before the meeting.

2.2 **Special Meetings.** Special meetings of the ownership may be called by the Board, either by decision of the Board or in response to a written petition of twenty percent (20%) of the active owners. Notice of special meetings shall be issued to owners. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board, and the meeting must be held within thirty (30) days after the petition is presented. No business shall be conducted at that special meeting except that specified in the notice of meeting.

2.3 **Notice of Meetings.** Notice of the date, time, place and purpose of each meeting of the ownership shall be posted in a conspicuous place at each store location of the Cooperative and communicated to owners not less than three (3) weeks prior to the date of the meeting (or not less than fifteen (15) days prior to a special meeting called by petition).

2.4 **Voting.** Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted in a conspicuous place at the Cooperative and communicated to owners not less than three (3) weeks prior to the end of the election period (or not less than fifteen (15) days prior to a special meeting called by petition). Unless otherwise stated in the Articles of Incorporation or these Bylaws or required by law, all questions shall be decided by a vote of a majority of the owners voting thereon. Proxy voting is not allowed.

2.5 **Quorum.** At any meeting of the owners, or for any vote of the owners, a quorum necessary for decision-making shall be two percent (2%) of active owners.

ARTICLE III. BOARD OF DIRECTORS

3.1 **Powers and Duties.** The Board shall consist of not less than five (5) directors and not more than fifteen (15) directors, the exact number to be fixed from time to time by resolution of the Board, acting by not less than a majority of the directors then in office. Directors shall be elected from among owners of the Cooperative. Except for matters for which owner voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management and

evaluating its performance, establishing compensation (if any) for the Board and assuring that the mission of the Cooperative is carried out.

3.2 Eligibility. Directors must be active owners of the Cooperative in good standing or the authorized representative of a legal entity that is an owner. Employees may not serve as directors. A person with a conflict of interest so continuing and pervasive that he or she is unable to effectively fulfill the responsibilities of a director with the Cooperative shall not be qualified to serve as a director.

3.3 Terms and Elections. The initial Board shall be determined as specified in the Consolidation Plan. Thereafter, elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. No director may serve more than three (3) consecutive terms.

3.4 Vacancies. Any vacancy among directors elected by the owners may be filled by appointment by the Board. Such a director so appointed shall hold office until the next annual meeting of the owners or until his or her successor has been elected and qualified.

3.5 Removal. A director may be removed by decision of two-thirds (2/3) of the remaining directors for conduct contrary to the Cooperative or failure to follow Board policies. A director may also be removed by the owners for cause as provided in the Minnesota Cooperative Law.

3.6 Meetings. The Board shall hold regular and special meetings at such time and place as it shall determine. All directors shall be notified in writing (including by electronic notification methods approved by the Board) of regular meetings at least ten (10) days in advance and special meetings at least two (2) days in advance. The time and place of all regular and special meetings of the Board shall be posted on the Cooperative's website and in a conspicuous place at each store location of the Cooperative within one (1) week of calling the meeting provided such timeframe exists, except in the case of confidential executive sessions or exigent circumstances. Meetings shall be open to all owners unless the Board decides to go into executive session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.

3.7 Meetings Conducted Solely Through Means of Remote Communications. The Board may specify that a meeting will be conducted solely through one or more means of remote communication, provided that notice is given, as specified in Section 3.6, and that the quorum requirements specified in Section 3.9 are met. Remote communication includes any communication that is accomplished by means of electronics, telephone, video or internet conferencing, or such other means through which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis. Participation in a meeting through a form of remote communication that is authorized by the Board constitutes personal presence at the meeting.

3.8 Action without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting and without prior notice by written action (including by electronic means approved by the Board) affirmed by all of the directors. The action is effective when affirmed by all of the directors, unless a different effective time is provided in the action.

3.9 Quorum. A majority of the current directors shall constitute a quorum and no decisions will be made without a quorum.

3.10 **Conflicts of Interest.** Directors shall be under an obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Directors having such a conflict shall absent themselves from discussion and decision of the matter unless otherwise determined by the Board.

3.11 **Officers.** The Board will designate officers as necessary for the effective conduct of Board business, in a manner consistent with any requirements of state law.

3.12 **Committees.** The Board may establish one or more committees having such powers and authority as are delegated to it by the Board.

3.13 **Store Councils.** The Board will establish store councils for such retail locations designated by the Board having such powers and authority as are delegated to them by the Board and initially as specified in the consolidation agreement dated September 12, 2016.

3.14 **Indemnification.** The Cooperative shall indemnify and reimburse each present, past and future Director for any claim or liability (including expenses and attorney fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director, to the full extent allowed by law, except to the extent the Director acted in bad faith.

ARTICLE IV. PATRONAGE DIVIDENDS

4.1 **Allocations to Owners.** The Cooperative shall allocate and distribute to owners the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made, including the amount (if any) distributed in cash and the form of any amount distributed as Class B stock of the Cooperative or as other forms of patronage equity, whether the allocations will be made in one or more divisions, departments or allocation units, and whether all or part of the excess margins shall be set-aside in capital or other necessary reserves.

4.2 **Reserves.** Amounts carried in reserves or unallocated surplus and not allocated to the owners may be so allocated by the Board at any time.

4.3 **Extraordinary Gains.** Net gain produced by a transaction (such as income from the lease of premises, investment in securities, or from the sale or exchange of capital assets) which is directly related to the Cooperative's business will be deemed to be patronage sourced margins and may be distributed to owners (and any other patrons with whom the Cooperative has contracted to deal on a patronage basis) in proportion, insofar as is practicable, to their patronage during any period to which such margins are attributable, as determined by the Board.

4.4 **Allocation of Losses.**

a. **Operating Losses.** An operating loss will be apportioned among the owners during the year of loss so that the loss will, to the extent practicable, be borne by those owners with respect to the loss year on an equitable basis, including charging the loss against allocated reserves, unallocated surplus or the patronage equity. Owners may not be directly assessed for any loss. The Board may also direct that all or part of any loss be carried forward or back so long as any carryforward or carryback will not place an inequitable burden upon past or future owners.

b. Other Losses. If, in any fiscal year, the Cooperative incurs a loss other than an operating loss, the Board may determine the basis on which patronage capital furnished by the owners may be reduced or such loss is to be otherwise equitably apportioned among the owners.

4.5 **Terms of Allocated Patronage.** The Board may adopt policies by which owners are offered the chance to donate all or part of his, her or its patronage dividend to one or more other organizations aligned with the Cooperative's purpose, or forfeit all or part of the patronage dividend to the Cooperative or for any other designated purpose that furthers the Cooperative's mission.

4.6 **Consent of Owners.** By obtaining or retaining ownership in the Cooperative, each owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Cooperative.

ARTICLE V. DISSOLUTION

5.1 **Asset Distribution:** The Cooperative may be dissolved upon a decision of the Board and a two-thirds (2/3) vote of the owners who participate in the vote. Upon dissolution of the Cooperative, its assets shall be distributed in compliance with applicable law and the following manner and order: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming any equity accounts in the order of preference stated in the Articles of Incorporation, which, if they cannot be paid in full, shall be paid in the order of the oldest outstanding amounts or on a pro-rata basis or on any other equitable basis as determined by the Board; (iii) by distributing any remaining assets in a way that furthers the Cooperative's mission, as determined by the Board.

ARTICLE VI. BYLAWS

6.1 **Amendments.** These Bylaws may be amended or repealed in whole or in part by a majority of the owners who participate in the vote at a meeting at which a quorum is present. An amendment may be proposed by decision of the Board or by petition of at least five percent (5%) of active owners. The proposed amendment shall be publicized to the ownership not less than three (3) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.