

BYLAWS

EAST TENNESSEE FARMER'S ASSOCIATION FOR RETAIL MARKETING, INC.

Article I

Section 1: History and Goals

East Tennessee Farmers' Association for Retail Marketing (FARM) was founded by a group of small farmers in 1976 to provide its members with organized markets and support services enabling them to sell their produce directly to consumers. For almost two decades, FARM fulfilled those purposes admirably. In 1995, with the filing of a new Charter, FARM became East Tennessee Farmers' Association for Retail Marketing, Inc. In the ensuing years, FARM continued its mission constantly growing and improving while at the same time seeking to remain faithful to its commitment to its members. In pursuit of those goals, FARM, Inc., filed an Amended and Restated Charter in March 2012. The new Charter enables FARM, Inc., and its member vendors to continue the quality and service that market patrons have enjoyed and expand future FARM, Inc., markets offerings.

The purposes for which this corporation is organized are to

- Provide members with sites, facilities, and services to market their produce and products made therefrom directly to market patrons.
- Support, publicize, and encourage all phases of direct marketing in the farming industry;
- Promote cooperation between its member vendors, disseminate information concerning procurement of agricultural and marketing materials, disseminate information on improved, appropriate and/or alternative production and marketing practices and strategies; and
- promote events that benefit its member vendors and the agricultural industry.

Section 2: Name and Office

The name of the corporation shall be the East Tennessee Farmers' Association for Retail Marketing, Inc. The principal office of the corporation shall be P.O. Box 4912, Oak Ridge, TN 37831. The corporation may have such other offices within the state of Tennessee as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Article II Membership and Dues

Section 1: General Membership

The membership of this corporation shall be all paid members in good standing*. All dues are payable to the Treasurer of the Corporation and all member applications are subject to approval by the Board of Directors. Acceptance of an applicant for membership creates no right in such applicant beyond the end of the calendar year in which the applicant is accepted. Renewal of membership for any applicant is subject to approval of the Board of Directors - which approval, while usually pro forma, is not automatic and such prior approval creates no right to membership in any applicant. The Secretary shall keep a list of all members, provide that list to Market Managers and the Board of Directors as it changes, and issue a membership card to those who request one.

*Currently under legal review

Section 2: Farmer/Gardener Members

Any natural person within the qualifications for membership classification may become a Farmer/Gardener Member upon application and acceptance by the Board of Directors and payment of

dues. When selling under the auspices of the corporation, members may only sell under provisions promulgated by the Board of Directors what they raise and declare on their application.

- Farmer/Gardener Members: A farmer/gardener shall be any natural person who derives income from the culture and care of plants and/or animals and whose average sales for each FARM market attended must comprise more than 50% from the sale of produce such farmer/gardener grows, raises, or otherwise produces, with no more than four markets attended per month falling below the 50% requirement. As used herein, the term produce shall include cut flowers and rooted and/or potted plants, trees, shrubs, and ground cover, if the vendor is appropriately permitted by the state regulatory authority.
- Farmer/Gardener members are appropriately permitted by all local, state, and/or federal agencies and may sell any non-potentially hazardous foods or products produced and processed in Tennessee to which they add value, i.e., fruit jellies/jams/butters and preserves, so long as the product is made in whole or part from produce and/or other products produced by the Farmer/Gardener member. The member must grow the primary ingredient.
- Farmer/Gardener members may offer for sale items produced from farm raised or produced products that are not intended for human consumption, but such sales shall not exceed 20% of such farmer/gardener member's sales at each market attended.
- Memberships are primarily the memberships of direct personal benefit and as such are considered the memberships with most direct responsibility to the organization. Memberships shall be limited to one membership per immediate family. The Board of Directors shall have authority to further define family membership limitations.
- Youth Members: Youth members shall be any natural person under the age of 18 who wishes to sell produce or other products allowed under these bylaws. Dues shall be one half (½) of the going rate for members. Commissions will be the same as for members.

Section 3: Specialty Food Members

Upon majority vote of the Board of Directors each year, any person, group, association, organization, or classification to include artisans, bread bakers, candy makers, food trucks, and specialty foods (by Board approval only) may be designated as a Specialty Food Member and must prepare their food products in a State-certified kitchen and in compliance with prevailing sanitation requirements by State Health Department/TN Department of Agriculture. Specialty Food Members shall be exempt from growing ingredients used in preparing/producing bread, baked goods, and candies and shall adhere to the guidelines governing their permit.

Section 4: Artisan Members

Artisan Members shall be skilled craftsmen producing handmade artwork, woodwork, pottery, needlecrafts, and such other categories the Board of Directors designate. Work must be original, no kits, produced by the member themselves, using natural materials, when possible, no plastics. Artisans will be admitted based on juried review by the Board of Directors.

Section 5: Agents of Members

Any member may designate a member of his/her immediate family and/or employ a person for the purpose of selling on the member's behalf. Said employee/agent shall sell products of members, collect money, and pay commissions to the market manager that same day as required by Article II, Section 12. Said agent/employee shall conform to all market rules and bylaws. If the agent/employee is under age 16, direct supervision by an adult is required. It is the member's responsibility to apprise such employee/agent of rules and to notify respective market managers prior to the date of sale.

Section 6: Election of Members

The original members of the corporation shall be the incorporators. Except in the initial election of members, all applicants for membership (including Youth) shall file with the Secretary a written application in such form as the Board of Directors shall from time to time determine. All applications for membership shall be presented promptly for consideration and investigation to the Board of Directors. A majority of the entire Board of Directors shall be required for the election of a member (including Youth). A majority of the membership voting at any regular or special meeting may vote to waive any membership requirement imposed by these bylaws.

Section 7: Membership Required

Persons, organizations, and associations who sell their products under the auspices of the corporation shall be members except as otherwise provided in these bylaws, decisions of the Board, or regulations of the committees.

Section 8: Termination of Membership

The Board of Directors, by an affirmative vote of two-thirds of the entire Board, may for cause suspend for a fixed period or expel a member after an adversary hearing. Any member has a right to notice before such action is taken against him/her. Cause shall be deemed to include but not limited to:

- Failure to submit to or abide by any decision made by the Board of Directors or to accept any ruling of the membership.
- Selling or offering for sale any products not grown by the seller or his/her immediate family, provided there shall be no violation if an agency or organizational relationship is established according to the provisions of these bylaws or other regulations.
- Failure to adhere to an ethical code governing conduct of sales as adopted by the Board of Directors.
- Failure to adhere to or abide by any applicable local, state, or federal ordinance, rule, regulation, statute, or law applicable to the sale of a member's products at FARM markets.

Section 9: Code of Ethics

- No vendor or other member shall knowingly make false, derogatory, or misleading statements about the wholesomeness, quality, safety, or identity of another vendor's produce or products offered for sale to patrons or to other vendors or make such statements with reckless disregard for their truth or falsity.
- No vendor or other member shall engage in any conduct that constitutes harassment, ridicule, or bullying of other vendors or patrons. Any vendor who believes that he/she has been the target of such conduct should contact a Board member. Such conduct will not be tolerated.
- No vendor shall offer for sale any mislabeled produce, or any other products not properly labeled according to applicable law or regulation. Nor shall any vendor claim any certification, authorization, or approval, however titled, to which the vendor is not entitled.
- No vendor shall offer for sale any produce or products grown or produced by a non-member.

Section 10: Resignation

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

Section 11: Reinstatements

Upon written request signed by the former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the entire Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 12: Transfer of Membership

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

Section 13: Commissions

The sales commission is to be 5% of the gross sales to be paid to the market manager on each sale day. The Board of Directors shall have the power to set and change market commissions as conditions warrant. Any transfers occurring at FARM markets will be subject to commissions, includes pre-sale deliveries as well as CSA deliveries.

Section 14: Disputes

Any member having a claim or dispute arising:

- Out of membership in East Tennessee Farmers' Association for Retail Marketing, Inc., applications and enforcement of the provisions of this Charter and Bylaws; and/or the
- Implementation of policies, rules, or actions of its Officers, Board of Directors, Committees, Market Managers, or other agents; or
- From or related to participation in any East Tennessee Farmers' Association for Retail Marketing, Inc., sponsored event or activity; or
- Any other claim whatsoever against East Tennessee Farmers' Association for Retail Marketing, Inc., shall seek to resolve the claim or dispute under the provisions of this Section.

The complaining member shall notify a member of the Board of Directors or an elected officer in writing of the claim or dispute and the circumstances surrounding it. The Board of Directors shall consider the matter in session or may, on its own, or at the complaining member's request hold a meeting to discuss the matter with the member. If a re-inspection is required due to the complaint filed, two (2) Board members shall conduct the re-inspection and be compensated by the complaining member as provided in the Article or by FARM if the complaint is proven. Any resulting agreement or decision shall be final, binding, and conclusive of the matter. By joining East Tennessee Farmers' Association for Retail Marketing, Inc., members expressly waive the right to file action in any court against it, its Officers, Directors, or other members in any claim or dispute arising under this Section.

No member shall bring a claim or dispute, nor shall any claim or dispute be considered, that arises out of the action of the Board of Directors, any Officer, authorized agent, or Market Manager in implementing and enforcing any policy, rule, or other action required to comply with any local, state, or federal ordinance, resolution, rule, or law.

The complaining party bears the reasonable cost of verification if the complaint is determined to be unfounded. Reasonable cost shall be the prevailing IRS mileage rate for miles driven and hourly rate to be set by the Board of Directors but not less than current minimum wages.

Article III Directors and Officers

Section 1: General Powers

The affairs of the corporation shall be managed by its Board of Directors. The Directors must be residents of the state of Tennessee and must be members of the corporation. The Board of Directors shall consist of the President, Vice President, and Secretary as elected by the membership, and two members at large also elected by the membership. The Treasurer, whose duties are outlined in Article V, Section 4, shall be hired by the Board of Directors from the membership or the public.

Section 2: Elections

The Board of Directors shall be elected by and from the members of the corporation at the annual meeting. A majority of those voting shall be required to elect each and every Board member. The first Board shall serve after its election until the next annual meeting. At that annual meeting and all subsequent annual meetings, the five Directors shall be elected for one-year terms. After the expiration of the one-year term, the Board of Directors shall serve until their successors are elected and qualified to office.

Section 3: 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 4: Board Meetings

The meetings of the Board of Directors shall be held in person or virtually, once per month, January through December. The in-person meeting place may be determined by the Board.

Section 5: Special Meetings

A special meeting of the Board of Directors shall be held, in person or virtual, whenever called by the President or two Directors. Each call for a special meeting shall state the business to be transacted and the time and place of such meeting.

Section 6: Notice of Board Meetings

Notice of the regular or special meetings of the Board may be made by mail, in person, phone or other electronic media such as email or text to each Director or person. Such notice shall be given at least three days before a regular and one day before a special meeting.

Section 7: Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 8: 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 meetings of the Board; but nothing herein contained shall be construed to preclude any Director or Officer from serving the corporation in any other capacity and receiving compensation, therefore. A majority vote of the membership voting at any regular or special membership meeting shall be required to approve the hiring of any Director or Officer in any salaried position. The Board of Directors shall have the power to set and adjust the compensation of any employee of the organization as conditions warrant.

Section 9: Informal Action by Directors

Any action which may be taken at a meeting of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors.

Section 10: Removal

Any member of the Board of Directors may be removed for cause by a two-thirds majority vote of the membership voting at a special or regular membership meeting. Any member may initiate a vote to remove, but such vote may be taken only after the membership of the corporation has had at least 30 days and not more than 60 days written notice of the member's intention to initiate a vote to remove. The duty of notification shall rest upon the member or members seeking the vote to remove.

Section 11: Member Complaints

The Board of Directors shall re-inspect any member when a complaint is submitted in writing in accordance with Article II, Section 14, or when deemed necessary and appropriate by the Board of Directors.

Section 12: Alternative Board Member

At the annual membership meeting the membership shall elect one person to be an alternate of the Board of Directors. In cases where a regular Board member cannot attend a meeting of the Board, the alternate shall have all voting privileges and authority of a regular Board member at that meeting.

Article IV 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 the corporation and shall make all rules and regulations not inconsistent with the law of the State of Tennessee or with these bylaws for the management of the business and guidance of the members, employees, and agents of the corporation. This shall include the power to levy a fee for any services provided by the corporation for its members, provided the exact fees to be levied, if any, are approved by a majority vote of the membership at any regular or special membership meeting before they can go into effect. The Board of Directors shall have the authority to promulgate an ethical code of conduct to regulate the activities of members at activities sponsored by the corporation or under the general auspices thereof. The Board of Directors shall require proper records to be kept of all business transactions. An annual budget shall be submitted to the membership for approval at the annual meeting.

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 or reasonable amount for the services rendered.

Section 3: Bonds and Insurance

The Board of Directors may require the officer, agents, and employees charged by the corporation with responsibility for the custody of any of its funds or negotiable instruments to give adequate bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company, and approved by the Board of Directors and the cost thereof shall be paid by the corporation.

Section 4: Checks, Drafts, etc.

All checks, drafts, or 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 will appoint a secondary signatory, who is a board member, to act in the event the Treasurer is unable to perform these duties.

Section 5: Contracts

The Board of Directors may authorize any officer or officers, employees, or employees of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 6: Gifts

The Board of Directors may accept on behalf of the corporation any contributions, gift, bequest, or device for the general purpose or for any special purpose of the corporation.

Section 7: Audits

From time to time and at least once a year, the Board of Directors shall review the financial records of the corporation. The Treasurer shall deliver a written statement of the financial affairs submitted to the membership of the corporation. At least once in 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 report shall be submitted to the membership of the corporation.

Section 8: Depository of Funds

The Board of Directors shall designate a federally insured bank as the depository for the funds of the corporation.

Section 9: Observance of the Charter and Bylaws

The Board of Directors shall have the power to enforce the observance by all members of all provisions of the Charter and Bylaws of the corporation.

Article V Duties of the Officers

Section 1: Duties of the President

The President shall: 1) preside over all the meetings of the corporation and of 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 IV, Sections 4 and 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 the duties as may be prescribed by the Board of Directors.

Section 3: Duties of the Secretary

The Secretary shall keep a complete record of all meetings of the corporation and the Board of Directors and shall have general charge and supervision of the records of the corporation. He/she shall serve all notices required by law and these bylaws and shall make a full report of all matters and business pertaining to the office at the annual membership meeting. He/she shall keep a complete list of all members, agents, and employees of the corporation and their addresses and phone numbers and issue a certificate, receipt, or card to those members who request one. Upon the election of a successor, the Secretary shall turn over all books and other property belonging to the corporation that may be in his/her possession. The secretary shall oversee and implement the application process for membership to include new and renewing member inspections. The Secretary may conduct the inspection or delegate the inspection to a qualified FARM member.

Section 4: Duties of the Treasurer

The Treasurer shall be hired by the Board of Directors on an annual basis and paid according to the provisions outlined in these bylaws. The Treasurer shall have general charge and supervision of the books of the corporation. He/she shall submit to the Board monthly financial reports, make a full detailed report of all matters and business pertaining to the office at the annual membership meeting, and is required to be bonded. He/she shall perform such duties with respect to the finances of the corporation to include monthly payment to employees, managing the SNAP benefit program, and management of any grant funding. He/she shall perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors as provided in Article IV, Section 4. Upon the hiring of a successor, the Treasurer shall turn over all books and other property belonging to the corporation that may be in his/her possession.

Section 5: Succession of Officers

In case of death, resignation, or inability of an officer to perform the duties of his/her office, the Board of Directors may declare the office vacant and select the officer's successor as provided in Article III, Section 3.

Article VI Member Meetings

Section 1: Annual Meeting

The annual meeting of the members of the corporation shall be held on a date and at a place designated by the Board of Directors. In the event of inclement weather, national disaster, or national pandemic this meeting may be held virtually. The decision to hold the meeting virtually could be made within 24 hours of the start of the already announced and notified meeting. The meeting, in person or virtual, must be held no later than December 31.

Section 2: Regular and Special Meetings

The Board of Directors shall establish a schedule of regular member meetings. It shall have the authority to select the time and place, in person or virtual, of such meetings. Special meetings of the members may be called by the President, the Board of Directors, or by not less than one-tenth of the membership of the corporation.

Section 3: Notice of Meetings

Notice of every regular and special meeting of members shall be prepared and sent via mail, phone, or other electronic media such as email or text at least 10 days and not more than 30 days prior to the date of the meeting using the most recent contact information for each member. Such notice will state the object or objects thereof and the time and place of the meeting.

Section 4: Quorum

Twenty five percent (25%) of the membership of the corporation shall constitute a quorum. In the event a quorum is not present, such meeting may be adjourned from time to time by those present until a quorum can be obtained.

Section 5: Procedure

Disputes arising from the order of business and procedure at meetings of members shall be governed by Robert's Rules of Order (revised).

Section 6: Informal Action by Members

Any action which may be taken at a meeting of members may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by members of the corporation.

Section 7: Nominating Committee

Beginning with the elections to be held at the 2013 annual meeting, there shall be slate of candidates for all positions on the Board of Directors proposed by a nominating committee. This committee shall consist of three members, none of whom may be members of the Board of Directors during the period of their service. Except for the initial election, committee members shall be appointed no later than May 31st of the year in which the election is to be held. The nominating committee shall meet prior to the annual meeting and their final recommendations shall be completed at least 30 days prior to the annual meeting. The committee shall propose at least two candidates for every position and additional nominations may come from the floor at the annual meeting. The recommendations of the nominating committee shall be sent via mail, phone, or other electronic media such as email or text to every member of the corporation entitled to vote, along with the notice of the annual meeting.

Article VII General Provisions

Section 1: Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year.

Section 2: Inspection of Records

All books and records of the corporation may be inspected by any member or his/her representative or attorney, for any proper purpose at any reasonable time.

Section 3: Business Committees

Any business function of the corporation may be delegated to a committee of members by the Board of Directors. These committees shall investigate, plan, regulate, or oversee any function of the corporation within the approval of the Board of Directors. However, the Directors may not avoid their responsibilities for the business of the corporation by delegating to committees. The Board shall oversee the functions of the committees. Committees shall have three to five members appointed by the Board of Directors. A committee chairman and vice-chairman shall be elected by the committee unless otherwise provided in these bylaws or by a majority vote of the membership.

Such committees shall be:

- **Ethics Committee:** To be responsible for developing an ethical code for the corporation's activities, as with quality control at food fairs, and to assure ethical conduct by the Association with the approval of the Board of Directors and membership.
- **Advisory Committee:** To consist of members who have served as president, vice president, or secretary within the last 5 years and to be responsible for advising the current Board on issues that may overlap from one calendar year to another.
- **Inspection Committee:** To be chaired by the Secretary and to be responsible for all new member inspections and re-inspections. Individuals on this committee will be assigned inspections by the Secretary.
- Other committees at such times as are necessary.

Any group of three or more members may ask for a specific ruling on a committee decision or regulation. All committee rulings and regulations must be approved by the Board of Directors.

Article VIII Amendments

Section 1: Amendments to the Charter

The Charter may be altered, amended, or repealed only by a majority vote of the membership at any regular or special meeting. Intention to seek a change in the Charter must be filed with the Secretary before such notice of such meeting is provided for the change to be considered at that meeting.

Section 2: Amendments to the Bylaws

These bylaws may be altered, amended, or repealed and new bylaws adopted only by a majority vote of the membership at any regular or special meeting. Intention to seek a change in the by-laws must be filed with the Secretary before such notice of such meeting is provided for the change to be considered at that meeting.