

GREAT BASIN COMMUNITY FOOD COOPERATIVE, INC.

BYLAWS

ARTICLE I. DEFINITIONS

“GBCFC” means GREAT BASIN COMMUNITY FOOD COOPERATIVE, Inc. a Nevada Nonprofit Cooperative Corporation formed pursuant to Nevada Revised Statutes Sections 81.010 through 81.160.

“Member” means any stockholder in the shares of GBCFC stock, including fractional shares.

“Valid contact information” is contact information that meets the requirements of Article III, Section 5(a).

ARTICLE II. PURPOSE

The purposes of GBCFC are to engage in any of the following, for the mutual benefit of its members:

- (a) Production, packaging, distribution, preparation, advertising, purchase, and sale of food products, other commodities, and general merchandise.
- (b) Similar or incidental ventures and businesses on behalf of the members of the cooperative and the community at large.
- (c) Increasing awareness of, and appreciation for, local farming and proper nutrition.
- (d) Performing every act and thing necessary and proper to the conduct of its business or for the pursuit of any other lawful purpose.

ARTICLE III. MEMBERSHIP

Section 1. Eligibility

Membership is voluntary and open to all persons willing to accept the responsibilities of membership.

Section 2. Stock

Purchase of stock in the GBCFC is evidence of membership. GBCFC shall from time to time issue stock from its authorized shares by resolution of the Board of Directors. The rights of stock ownership in GBCFC are non-transferrable. Stock may be redeemed by the GBCFC.

Section 3. Fees, Dues, and Assessments

The Board of Directors may set fees or require the membership to pay dues or assessments on stock as the board deems appropriate to secure the financial health of GBCFC.

Section 4. Notices

All members hereafter admitted to GBCFC consent to receive notices and information from GBCFC through electronic mail. Members may opt out of electronic communications by informing the secretary, or his or her designee, of the preferred method and the necessary contact information.

Section 5. Responsibilities of Membership

Each member has the following responsibilities:

- (a) Provide GBCFC with contact information that allows the delivery of information by U.S. Mail or electronic delivery without the communication being returned as undeliverable two times in succession;
- (b) Pay all dues and fees set pursuant to Section 2 at the time that they are due; and
- (c) Make at least one consumer transaction per year with GBCFC.

Section 6. Voluntary Redemption

A member may voluntarily terminate his or her membership in GBCFC by providing written notice to the secretary or his or her designee. A member shall return any membership or stock certificate issued, or affirm that such certificate has been lost or destroyed. Upon return of the certificate, the member's shares or fractional shares shall be redeemed for the amount paid. Any terminated member remains liable for all dues and fees that were assessed prior to GBCFC receiving the request for voluntary termination, and is entitled to redeem patronage refunds allocated but not redeemed up until the time of termination.

Section 7. Forfeiture of Membership

A member who fails to fulfill the duties of membership forfeits his or her membership rights, other than the right to receive dividends. Before forfeiture occurs, the member will be provided with a written notice stating the failure and providing a 30-day period to fulfill the obligation. If the member has not corrected the situation on the 31st day after the notice was sent, then the membership rights are forfeited. Any notice of termination also constitutes an offer to repurchase the shares of the forfeiting member for the amount paid, and the forfeiting member is entitled to the rights and responsibilities set out in Section 6 above.

Section 8. Deemed Gift to GBCFC

When GBCFC offers to repurchase a membership pursuant to Section 6 or 7, the departing member has 30 days to claim the payment. If the departing member takes no action, the departing member is deemed to have accepted GBCFC's offer for repurchase or redemption, and to have gifted the cash value to GBCFC.

ARTICLE IV. ANNUAL MEMBERSHIP MEETINGS

Section 1. Frequency and Timing

General membership meetings are held annually within five months after the end of the GBCFC's fiscal year (January 1–December 31). The fiscal year may be changed at the discretion of the board of directors.

Section 2. Notice

Notification of the time, place and proposed agenda are publicly posted at GBCFC's place(s) of business at least 30 days prior to the meeting. Notification is also provided by U.S. mail or by electronic delivery to all members with valid contact information.

Section 3. Record Date

The members entitled to vote at any meeting of stockholders or by written consent are those members currently listed as stockholders of any fractional interest in GBCFC stock on the date set by resolution of the Board of Directors as the "record date," which shall be no more than 60 days and no less than 10 days before the meeting is held.

Section 4. Initiatives

To be placed on the ballot at the annual meeting, proposals from the membership must be signed by the lesser of 5 percent of the membership or 50 members and submitted to the secretary, or his or her designee, at least 60 days prior to the meeting date.

Section 5. Quorum

Twenty-five members or more at the annual membership meeting constitutes a quorum.

Section 6. Decision Making

Unless otherwise required by law, approval by a majority of members voting is sufficient.

Section 7. Voting

Votes may be recorded by any method that is accurate and ensures the secrecy of the ballot, including an electronic method.

Section 8. Proxies

There shall be no voting by proxy.

ARTICLE V. SPECIAL MEMBERSHIP MEETINGS

Section 1. How Called

Special meetings of the general membership may be called either by the Board of Directors or by a petition from the membership. To call a special meeting by petition, a member must submit to the secretary a petition signed by the lesser of 5 percent of the membership or 500 members.

Section 2. Notice

Notice of the special meeting is given in the same manner as notice of an annual membership meeting.

Section 3. Quorum

One hundred members or more at a special meeting constitutes a quorum.

Section 4. Scope of Special Meetings

The members may conduct any business at a special meeting that they could conduct at an annual meeting.

Section 5. Voting

Voting at a special meeting must follow the same rules that apply to annual meetings.

ARTICLE VI. PROFITS

Section 1. No duty to operate for profit

The Board of Directors has no duty to operate GBCFC at a profit, or for profit.

Section 2. Distributions.

Distributions of net profits to shareholders are made on such terms as the Board of Directors determines by resolution. Such distributions may take the form of dividends, patronage refunds, or other forms of distribution. In determining the amount of any distribution, the Board of Directors considers the long-term health of GBCFC, the maintenance of adequate capital reserves, and other monetary and non-monetary considerations the Board of Directors may determine are in the best interests of GBCFC. In no case shall per-share dividends exceed 8 percent per annum.

Section 3. Patronage Refunds

Patronage refunds are paid in the manner and to the extent determined by the Board of Directors according to the provisions of the Internal Revenue Code and Treasury Department regulations to qualify for tax treatment under Subchapter T of the IRS Code, or its equivalent. A qualified written notice of allocation shall be mailed to those eligible within eight-and-a-half months of the

end of the fiscal year, including payment in cash of 20 percent or more, as determined by the board.

Section 4. Waiver of De Minimis Refunds

Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board of Directors, be excluded from distribution provided that they are not then or later distributed to other members.

Section 5. Non-Cash Patronage Refunds

A portion of patronage refunds, not to exceed 80 percent of the allocation, may be retained for the reasonable capital needs of the Cooperative. Such retentions shall be credited to revolving capital accounts in the names of recipient members, shall accrue no monetary return on investment, shall not be transferable, and shall be in whole dollars only. They shall be redeemed when determined by the Board to be no longer needed for capital purposes. At that time they shall be redeemed in the order of the oldest outstanding amounts and on a pro rata basis among such amounts. Retained amounts may also be redeemed under compelling circumstances as determined by the Board. Retained amounts shall be subject at all times to being offset by amounts otherwise due and payable to GBCFC.

Section 6. Tax Liability

Persons who become or remain members of GBCFC after the adoption of this bylaw thereby consent to include in their gross income for federal income tax purposes the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received, except to the extent that such a patronage refund is not income to the member.

ARTICLE VII. BOARD OF DIRECTORS

Section 1. Responsibilities

The Board of Directors is responsible for monitoring and maintaining GBCFC's financial health and ensuring general oversight and governance in accordance with cooperative principles.

The Board of Directors has the power to:

- (a) appoint and remove officers;
- (b) hire and fire management;
- (c) create or disband committees;
- (d) incur or retire debt;
- (e) set or change membership dues, consideration for shares, and other terms of membership;
- (f) set or change GBCFC's fiscal year; and
- (g) do or perform any other action in furtherance of GBCFC's purposes.

Section 2. Qualifications

Any member may serve on the Board of Directors, except for employees of GBCFC. All candidates for the board must have been members in good standing for the 60 days prior to the commencement of their prospective terms. Board members must maintain their membership as set out in Article III throughout their respective terms. Failure to correct any lapse within five business days of notification shall be treated as a resignation from the board.

Section 3. Nominations

Candidates for the Board of Directors may be nominated for election at the annual meeting in two ways:

- (a) The board may add a candidate to the ballot.
- (b) A candidate may be nominated by a petition signed by the lesser of 5 percent of the membership or 25 members. To be valid, the petition must be delivered to GBCFC's secretary, or his or her designee, at least 60 days before an annual meeting.

Section 4. Size

The Board of Directors consists of at least three and up to nine members, as the board may determine from time to time.

Section 5. Terms of Office

Each position on the Board of Directors is sequentially numbered. Even numbered positions are elected in even numbered years. Odd numbered positions are elected in odd numbered years. A member elected to the board at a general membership meeting serves for two years beginning July 1 after his or her election. Directors may run for re-election as often as they desire.

Section 6. Vacancies

The Board of Directors may fill a vacancy by appointing a new director to a term that expires at the end of that seat's two-year term.

Section 7. Regular Meetings of the Board

The board meets regularly and not less than four times per year. Announcements of meetings are posted in the GBCFC's place(s) of business at least 14 days in advance of each regular meeting. Any member may attend a regular meeting of the board.

Section 8. Failure to Attend Meetings

A director who misses two consecutive regular meetings of the board without notifying the board president shall be considered to have resigned from the board.

Section 9. Action Without a Meeting

The board may act without a meeting if at least two-thirds of its members consent.

Section 10. Quorum

A quorum at any meeting of the board consists of two-thirds of the then serving directors.

Section 11. Indebtedness

The Board of Directors has the power to authorize and approve the borrowing of money and the pledging and mortgaging of any or all of the assets of GBCFC as security for the sums so borrowed. GBCFC may incur any amount of indebtedness up to and including one trillion dollars.

Section 12. Delegates to Other Organizations

Delegates to any society of which GBCFC is a member may be appointed by the Board of Directors for an appropriate term. Such delegates serve at the pleasure of the board. They shall make regular written reports to the board, including a record of any votes cast and actions taken on behalf of GBCFC.

Section 13. Removal from the Board

Directors who fail to fulfill the responsibilities of board membership may be removed from the board for cause by a three-fourths majority vote of the other board members.

ARTICLE VIII. COMMITTEES OF THE BOARD OF DIRECTORS

Each director may supervise one or more committees of GBCFC. Committees shall report to the board at least quarterly and to the membership at least once a year.

ARTICLE IX. OFFICERS

Section 2. Number and Titles

GBCFC shall have at least three officers: a president, a secretary, and a treasurer. The Board of Directors may create additional officers as it deems appropriate.

Section 3. Appointment

GBCFC's officers are appointed by a majority of the Board of Directors and serve at the pleasure of the board.

Section 4. Term

An officer serves until he or she is removed by the board or resigns from the position.

Section 5. Duties of the President

The president facilitates the regular meetings of the Board of Directors. The president also ensures that certificates, contracts, and other documents are properly executed on behalf of GBCFC.

Section 6. Duties of the Secretary

The secretary is responsible for seeing that minutes are recorded of all meetings of the Board of Directors or the general membership. The secretary also ensures that GBCFC corporate records are maintained in compliance with Nevada law. As the keeper of the corporate records, the secretary is responsible for notifying any board member who has forfeited his or her membership in GBCFC or will do so within 30 days.

Section 7. Duties of the Treasurer

The treasurer oversees the receipt and disbursement of all GBCFC's funds. As part of that oversight, the treasurer ensures that GBCFC keeps complete records of all financial transactions and files all returns and reports in a timely manner.

Section 8. Expansion of Duties

The Board of Directors may expand the duties of the president, secretary, and treasurer as it deems fit.

ARTICLE X. INDEMNIFICATION

Section 1. Rights

In order to encourage qualified persons to serve as directors and officers, GBCFC shall, subject to the terms and conditions in this Article, indemnify its directors and officers, including those formerly holding such positions, against all liabilities and expenses, including reasonable attorney fees, to which they may actually and reasonably become subject by reason of their positions with the corporation or their service in its behalf. Such indemnification includes direct payment of liabilities and expenses, and applies whenever such person was, is, or may be made a party to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative.

Section 2. Limitations

No indemnification is provided unless the person to be indemnified is determined to have met the standard of conduct required by law. In any proceeding by or in the right of the corporation, indemnification payments and advances of expenses shall be made only in such increments and at such times as will not impair the ability of the corporation to meet its other obligations as they become due.

Section 3. Insurance

GBCFC shall obtain and maintain an insurance policy to cover the risks contained in this Article.

ARTICLE XI. AMENDMENT

The Board of Directors has the power to amend the bylaws of GBCFC by a two-thirds vote. Bylaws so amended become effective when ratified by the majority of a quorum of members at a special or annual meeting.

Adopted by resolution of the Board of Directors, November 21, 2011.