

BYLAWS OF LOUDOUN VALLEY HOMEGROWN MARKETS COOPERATIVE, INC.

Loudoun Valley HomeGrown Markets Cooperative, Inc. (the “Cooperative”), a cooperative association under the provisions of Article 3 of the Virginia Nonstock Corporation Act (the “Act”) and Article 1 of Chapter 3, “Cooperative Associations,” both Articles being a part of Title 13.1 of the Code of Virginia of 1950, as amended (the “Code”), hereby adopts the following Bylaws of the Cooperative, which shall govern the management and operation of the Cooperative’s business and the regulation of its affairs to the extent consistent with the Cooperative’s Articles of Incorporation and applicable law.

ARTICLE ONE DEFINITION OF TERMS

Unless otherwise stated in these Bylaws, all of the terms used in these Bylaws which are defined in Section 13.1-803 of the Code shall be deemed to have the meaning set forth in such Section of the Code.

ARTICLE TWO PURPOSES

The purposes for which the Cooperation was incorporated are to engage in any activity in connection with the marketing or selling of agricultural products of its members on a cooperative basis. Without limiting the generality of the foregoing, the Cooperative’s purposes include:

- (1) To provide a marketing outlet for area produce growers and other agricultural producers to feature their finest produce and other agricultural products and to encourage the freshness of products at the farmers market operated by the Cooperative (“Loudoun Farmers’ Markets”).
- (2) To increase the availability and freshness of products available to the general community of buyers.
- (3) To provide improved market capability for area farmers and agricultural producers to promote their products directly to consumers.
- (4) To establish, maintain, and enforce basic operating standards (“Rules and Regulations”) that will inspire public confidence in the “Producers only” concept.
- (5) To publicize and provide other marketing materials and opportunities for promoting and fostering the continual sale of locally grown produce and agriculturally produced products at the market.

- (6) To encourage the expansion of marketing opportunities and the introduction of new products to the local community.
- (7) To enhance the community's image and Loudoun agriculture's image by providing the special opportunity for direct dialogue between area consumers and producers who themselves grow or produce the products they sell.
- (8) To encourage agricultural education and awareness of issues affecting the family farm and the rural community.

ARTICLE THREE MEMBERS

Section One – Classification of Members. The Cooperative shall have the following classes of Members:

(a) Farm-Based Members. To be a Farm-Based Member, such Member must be a producer of agricultural, horticultural or animal husbandry products. Farm-Based Members shall be voting Members.

(b) Nonfarm-Based Members. To be a Nonfarm-Based Member, such Member must be a producer of nonfarm-based products (as in baked goods/prepared food). Nonfarm-Based Members shall be voting Members.

(c) Sustaining Members. To be a Sustaining Member, such Member shall support the purposes of the Cooperative by paying the applicable dues for Sustaining Members. Sustaining Members shall be nonvoting Members, but they shall be entitled to attend meetings of the Members.

(d) Farm-Based Representation. As between Farm-Based Members and Nonfarm Based Members, the Cooperative shall strive to maintain no less than 80% of such Members in Farm-Based Membership and no more than 20% in Nonfarm-Based Membership. The Board of Directors reserves the right, in its sole discretion, to deny membership to achieve this representation.

Section Two – Duties of Members. Each Member shall comply with these Bylaws, and the Rules and Regulations, as the same may be amended from time to time. Farm-Based Members and Nonfarm-Based Members shall also comply with the terms of their vending agreement and other agreements with the Cooperative.

Section Three – Resignation; Removal. A Member may resign at any time upon written notice to the Cooperative. The Board of Directors may remove a Member if, after 30 days' written notice to the Member of the reason(s) for removal, the Member has not, in the judgment of the Board of Directors, corrected the reason(s) for removal. Such removal shall be in writing to the Member. Upon resignation or removal, the Member shall nevertheless be obligated to pay

any dues, assessments or other charges accrued and unpaid at the time of such resignation or removal.

Section Four – Nontransferability. Membership in the Cooperative shall not be transferable nor assignable.

Section Five – Annual Meeting of Members. The annual meeting of Members shall be held during the month of November at such time and place as determined by the Board of Directors. Notice thereof shall be mailed to every Member no less than ten (10) nor more than sixty (60) days before the meeting, or as otherwise required by law.

Section Six – Special Meeting of Members. Special meetings of the Members may be called at any time by (i) the Board of Directors, or (ii) by the Cooperative upon written petition of at least twenty-five percent (25%) of the Members in good standing. Notice of special meetings shall be mailed to every Member no less than ten (10) nor more than sixty (60) days before the meeting, or as otherwise required by law. Notice of a special meeting shall state the purpose or purposes for which the meeting is called.

Section Seven – Quorum. Ten percent (10%) of the membership shall constitute a quorum at any called meeting of the Members.

Section Eight – Proxy Voting. Proxy voting shall not be permitted.

ARTICLE FOUR BOARD OF DIRECTORS

Section One – Authority. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Cooperative shall be managed under the direction of, the Board of Directors. Unless otherwise provided by resolution of the Board of Directors, the directors shall have the sole voting power.

Section Two – Number and Qualification. The number of directors shall be no fewer than five (5) and nor more than nine (9) at all times, with the exact number to be fixed by resolution of the Board of Directors.

Section Three – Election and Term. The Board of Directors shall be classified into two classes: Even-Year directors to serve for until the annual meeting of members in years ending in even numbers and Odd-Year directors to serve until the annual meeting of members in years ending in odd numbers. The terms of office for the initial Board of Directors are set forth in the Articles of Incorporation. At each annual meeting of members, directors shall be elected for two-year terms, except that any director named to fill a vacancy created by the resignation or removal of a director shall serve for the unexpired term of the director whom he or she is replacing.

Section Four – Resignation and Removal. A director may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

Section Five – Vacancy. If a vacancy occurs on the Board of Directors between annual meetings, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the Board.

Section Six – Annual Meeting. The Board of Directors shall meet at least annually in the month specified by resolution of the Board for the purpose of general organization, the appointment of officers, and consideration of any other business that may properly be brought before the meeting. The failure to hold the annual meeting at the time stated herein shall not affect the validity of any corporate action.

Section Seven – Regular or Special Meetings in Addition to the Annual Meeting. Regular meetings of the Board of Directors shall be held at such times as the Board may designate by resolution. Special meetings of the Board of Directors may be called any time by the President or, upon the request of any two directors, by the Secretary.

Section Eight – Notice of Meetings. The Secretary or officer performing the Secretary's duties shall give not less than two days' notice by word-of-mouth, mail, facsimile, or e-mail of all special meetings of the Board of Directors. The notice shall set forth the agenda, minutes, and other items of business requiring a vote. Special meetings may be held at any time without notice if all of the directors are present, or if those not present waive notice in writing either before or after the meeting. No notice shall be required for annual and regular meetings.

Section Nine – Place of Meetings. Meetings of the Board of Directors, annual, regular, or special, shall be held at such place as the Board of Directors may designate.

Section Ten – Quorum and Voting. Action may be taken on a matter by the Board of Directors only at a meeting at which a quorum shall be present. A quorum of the Board of Directors shall consist of a majority of the number of directors on the Board. Unless otherwise provided in these Bylaws, if a quorum is present when a vote is taken, the affirmative vote of a simple majority of directors present is the act of the Board of Directors. Whenever applicable law requires the Board of Directors to recommend or approve any proposed corporate act, such recommendation or approval shall not be required if the proposed corporate act is adopted by the unanimous consent of the members.

Section Eleven – Conduct of Meetings. The President shall preside over all meetings of the directors. If the President is not present, the Vice President shall so preside. If none of such officers are present, a chairman shall be elected at the meeting. The Secretary of the Cooperative shall act as secretary of all the meetings if present. If the Secretary is not present, the officer presiding over the meeting shall appoint a secretary of the meeting. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct a meeting

through the use of, any means by which all directors participating may simultaneously communicate with each other during the meeting.

Section Twelve – Action Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents stating the action taken, signed by each director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent unless the consent specifies a different effective date, in which event the action taken is effective as of the date specified therein provided the consent states the date of execution by each director. A consent signed under this Section shall have the same effect as a meeting vote and may be described as such in any document.

ARTICLE FIVE COMMITTEES

Section One – Board Committees. The Board of Directors may create one or more Board committees and appoint members of the Board of Directors to serve on them. Each Board committee shall consist of two or more directors, who shall serve at the pleasure of the Board of Directors. Each Board committee may exercise the authority of the Board of Directors, subject to Section 13.1-869(D) of the Code.

Section Two – Meetings. The provisions of these Bylaws which govern meetings, action without meetings, and quorum and voting requirements of the Board of Directors shall apply to Board committees and their members as well.

ARTICLE SIX OFFICERS

Section One – General. The officers of the Cooperative shall consist of President, Vice President, Secretary, and Treasurer and such other officers as the Board may appoint. All officers shall be appointed by the Board of Directors and shall serve at the pleasure of the Board of Directors for such compensation as may be fixed by the Board. Any two or more offices may be held by the same person. A duly elected officer may appoint one or more officers or assistant officers if authorized by the Board of Directors.

Section Two – Resignation and Removal. An officer may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Cooperative accepts the future effective date, it may fill the pending vacancy before the effective date if the officer's successor does not take office until the effective date. The Board of Directors may remove any officer at any time with or without cause and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

Section Three – Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board.

Section Four – President. The President shall serve as the chief executive officer, subject to the control of the Board of Directors. The President shall preside at all meetings of the Members and the Board of Directors, discharge all the duties that devolve upon a presiding officer, and perform such other duties as these Bylaws or the Board of Directors may prescribe. The Executive Director shall have authority to sign checks, drafts, notes, and all other orders for the payment of money and to sign the corporate name to all deeds, contracts, leases, and other documents of every nature and description.

Section Five – Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

Section Six – Secretary. The Secretary shall attend all meetings of the shareholders and of the Board of Directors and shall have the responsibility for preparing and maintaining custody of minutes of the directors' and shareholders' meetings and for authenticating records of the Corporation. The Secretary shall keep or cause to be kept in a book provided for the purpose a true and complete record of the proceedings of all meetings. The Secretary shall be custodian of the records and the seal of the Corporation and shall see that the seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal have been duly authorized. The Secretary shall attend to the giving of all notices and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

Section Seven – Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables that may from time to time come into the possession of the Corporation. The Treasurer shall immediately deposit all funds of the Corporation coming into his hands in some reliable bank or other depository to be designated by the Board of Directors, and shall keep this bank account in the name of the Corporation. The Treasurer shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation, and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

Section Eight – Transfer of Authority. In case of the absence of any officer of the Cooperative or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may transfer the powers or duties of that officer to any other officer or to any director or employee of the Cooperative.

ARTICLE SEVEN
SPECIAL CORPORATE ACTS
NEGOTIABLE INSTRUMENTS, DEEDS AND CONTRACTS

All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money of the Cooperative; all deeds, mortgages, and other written contracts and agreements to which the Cooperative shall be a party; and all assignments or endorsements of registered bonds or other securities owned by the Cooperative, shall be signed by such officers as the Board may from time to time direct. The Board of Directors may authorize any one of its officers to sign any of such instruments, for and in behalf of the Cooperative, without necessity of countersignature; may designate officers or employees of the Cooperative, other than those named above, who may, in the name of the Cooperative, sign such instruments; and may authorize the use of facsimile signatures of any of such persons.

ARTICLE EIGHT
TRANSACTIONS WITH DIRECTORS

Any contract or other transaction between the Cooperative and one or more of its directors, or between the Cooperative and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Cooperative and any Cooperative or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the Cooperative that acts upon, or in reference to, the contract or transaction, and notwithstanding his, her or their participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors and a majority of the directors who have no direct or indirect personal interest in the contract or transaction shall, nevertheless, vote to authorize or ratify the contract or transaction. However, no such contract or transaction may be authorized or ratified by a single director. If a majority of disinterested directors vote to authorize or ratify the contract or transaction, a quorum is present for the purpose of taking action under this Article. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

ARTICLE NINE
PATRONAGE

The Cooperative shall account annually to all Members for all net profits, maintaining reasonable reserves for the Cooperative. The allocation of these earnings among Members shall be on the basis of each Member's patronage with the Cooperative, as determined by the Board of Directors in its reasonable discretion.

ARTICLE TEN
CORPORATE SEAL

The corporate seal shall be in such form as shall be approved by the Board of Directors.

ARTICLE ELEVEN
FISCAL YEAR

The fiscal year of the Cooperative shall be the calendar year.

ARTICLE TWELVE
EMERGENCY BYLAWS

In the event that a quorum of the Cooperative's Board of Directors cannot readily be assembled because of some catastrophic event, the Board of Directors of the Cooperative may, consistent with Section 13.1-824 of the Code, adopt other bylaws to be effective only in such an emergency, which bylaws shall provide procedures for calling a meeting of the Board of Directors, quorum requirements for the meeting, and designation of additional or substitute directors as well as other provisions necessary for managing the Cooperative during such emergency. All provisions of these Bylaws consistent with such emergency bylaws shall remain effective during such emergency. Such emergency bylaws shall not be effective after such emergency ends. Corporate action taken in good faith in accordance with such emergency bylaws shall bind the Cooperative and may not be used to impose liability on a director, officer, employee, or agent of the Cooperative.

ARTICLE THIRTEEN
AMENDMENTS

These Bylaws may be amended or repealed by the Board of Directors at any regular or special meeting. Any action taken or authorized by the Board of Directors which would be inconsistent with the Bylaws then in effect, but is taken or authorized by the affirmative vote of not less than the number of directors that would be required to amend these Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as if these Bylaws had been temporarily amended or suspended to the extent necessary to permit the specific action so taken or authorized.