

BYLAWS

OF

LOS ALAMOS BEER COOPERATIVE Doing Business As Bathtub Row Brewing Co-op

Adopted by the Members on August 5, 2016

Article 1: NAME AND OFFICE

The name of the Cooperative is "Los Alamos Beer Cooperative," doing business as Bathtub Row Brewing Co-op, referred to in these bylaws as "the Cooperative." The Cooperative's principal office is located at 163 Central Park Square, Los Alamos, New Mexico 87544. The Cooperative may have other offices. The Articles of Incorporation and Bylaws are posted on the Cooperative's website, <http://www.bathtubrowbrewing.coop>.

Article 2: PURPOSE AND MISSION

The purpose of the Cooperative is to maintain a brewery and taproom in Los Alamos as a place for the community to gather and enjoy great beer. The Cooperative will support and promote the local craft beer community.

Article 3: MEMBERSHIP

- 3.1. **Eligibility.** Any natural person twenty-one (21) years of age or older who agrees to abide by the Cooperative's Bylaws and any other rules established by the Board of Directors may become a member. The Cooperative does not discriminate on the basis of race, national origin, religion, age, sex or gender, sexual orientation, disability, socioeconomic status or political party affiliation.
- 3.2. **Application.** A person seeking membership in the Cooperative must complete the Cooperative's application form and purchase a Class A membership, annual or lifetime. The Board of Directors determines the cost of the membership and may determine acceptable methods of payment. If the Cooperative accepts the person's application and

payment, the Cooperative will issue a membership certificate. Memberships are designated as Class A.

- 3.3. **Approval.** Once the Treasurer accepts the membership application and payment, the applicant will be issued a Class A membership certificate for one membership unit and will become a member entitled to all of the rights and privileges of members provided that the member remains current on membership dues. The Class A membership certificate must specify whether the member purchased a lifetime or annual membership.
- 3.4. **Membership v. Equity Interest.** Memberships are designated Class A. A person may have only one Class A membership, lifetime or annual. Class A memberships are eligible for member rebates, if and when the Cooperative issues member rebates. Rebates are a credit issued to members that may be applied to a member's future purchases at the Cooperative. Once a person becomes a Class A lifetime member, the member may additionally invest in the Cooperative by purchasing an equity interest. Equity interests are designated as Class B. Class A lifetime members may purchase more than one Class B equity interest. The Board of Directors at any regular or special meeting may declare dividends payable out of the surplus of the Cooperative for Class B equity interests held by Class A lifetime members. Dividends are a portion of the profits. Such dividends may be paid in cash, property, or memberships in the Cooperative.
- 3.5. **Certificates.** The Directors will issue Class A membership certificates. The certificate must state the member's name; mailing address; email address; the date of issue; whether the membership is lifetime or annual; for annual memberships, the date of expiration or renewal; and the par value of the membership or that the membership is without par value. Each certificate issued to a member must state (1) the principle of one member, one vote, (2) that proxy voting is prohibited and (3) that members desiring to withdraw from the Cooperative may do so voluntarily or may exercise their rights consistent with NMSA 1978 53-4-26. The Directors will also issue certificates for Class B equity interests. For Class B, the certificate must state the number of equity interests. The Treasurer is responsible for maintaining a current electronic record of all information on the membership certificates and equity interest certificates.

- 3.6. **Member Benefits.** The Board of Directors is authorized to approve taproom discounts or provide additional benefits to Members who make a valuable contribution or provide services to the Cooperative, such as administrative assistance, committee service, professional assistance or independent contractor services.
- 3.7. **Sale or Transfer of Memberships or Equity Interests Prohibited.** The sale or transfer of Class A memberships or Class B equity interests by a member to another person or entity is strictly prohibited, with the exception of a member wishing to withdraw from the Cooperative pursuant to NMSA 1978 § 53-4-26, which allows the Board of Directors to re-purchase the holdings.
- 3.8. **Termination or Cancellation of Membership.** Class A annual membership will be automatically discontinued if a member fails to renew annual membership dues. Membership may be terminated voluntarily by a member at any time upon written notice to the Cooperative. The Board of Directors may cancel memberships if it is determined that the member is ineligible for membership. Membership may be terminated involuntarily and a member expelled by a majority vote at the regular Annual or a special membership meeting. The member at risk of being expelled must be provided with 10 days' notice and an opportunity to be heard at a membership meeting. The Cooperative must purchase the expelled member's holdings at par value, consistent with NMSA 1978 § 53-4-30.

Article 4: MEETINGS OF MEMBERS

- 4.1. **Annual Membership Meeting.** The Cooperative must hold a membership meeting at least once a year in order to elect Directors and transact other business. The Board of Directors will schedule the meeting on or near the Annual Beer Fiesta date, or in July, August or September. If the election of Directors is not held at the annual meeting, the Directors may schedule the election at a special meeting of the Members shortly after the annual meeting, in accordance with the Governance Policy.
- 4.2. **Special Meetings of Members.** Special meetings of Members may be called at any time by the president, the vice-president acting as president

pursuant to these bylaws, a majority vote of Directors, or at least ten percent (10%) of all the members signing a written petition. In the event that 10% of the members sign a written petition demanding a special meeting, the Secretary must call a meeting within 30 days of receiving the request.

- 4.3. **Notice of Meeting.** The President or the President's designee will provide notice at least 10 days and not more than 30 days before the meeting by email to all current members stating the date, time and place of the meeting. The Board of Directors may additionally announce meetings via website, blog, or newsletter, using any or all methods of communication that exist for the Cooperative. For a special meeting, the Secretary will also specify the meeting's purpose.
- 4.4. **Quorum of Members.** A quorum is established when ten percent (10%) of the current membership, or 25 members, whichever number is smaller, are present. A quorum is necessary for conducting business at annual and special meetings.
- 4.5. **Right to Present.** The Board of Directors must allow members an opportunity at any members' meeting to present brief statements supporting or opposing any issue or candidate for election.
- 4.6. **Members Entitled To Notice and to Vote at Meetings.** The President or President's designee must email meeting notices to all members who were members 30 days in advance of the meeting. This includes all lifetime members and all annual members who are current on their annual dues 30 days in advance of the meeting. Any person who becomes a member 29 or fewer days or before a meeting is not entitled to meeting notice and is not entitled to vote at the meeting, but may attend the meeting. Only lifetime and annual members, all of which are designated Class A, are entitled to vote. Class B equity interests are non-voting investments.
- 4.7. **Voting List.** The Treasurer or the Treasurer's designee must provide a complete list of members entitled to vote at any meeting, and make the list

available for inspection or via the Cooperative's website while voting is open.

- 4.8. **Ballots.** The Board of Directors will make ballots available online immediately after the meeting and members will have a minimum of 14 days to cast their ballots, starting from the date on which ballots are made available.
- 4.9. **One Member, One Vote.** Each member, whether lifetime or annual, will have one vote and only one vote. Proxy voting, which means casting a vote on behalf of another member, is prohibited. Cumulative voting is prohibited.
- 4.10. **Bylaws Amendments.** The Board of Directors may propose amendments to these bylaws and present the proposed amended version to the members for a vote. The bylaws are amended when a majority of the members casting votes vote to adopt the amended version.

Article 5: DIRECTORS

- 5.1. **Duties and Powers.** The Directors, acting collectively as a Board, are responsible for governing the business and affairs of the Cooperative. The Board of Directors may adopt rules and regulations for the conduct of their meetings and the management of the Cooperative, as they may deem proper, not inconsistent with law or these bylaws.
- 5.2. **Candidates.** Candidates for Director declare their candidacy by completing a candidate questionnaire and returning it to the Cooperative Directors at least four weeks before the election begins. The Cooperative will post the candidate questionnaire on its website. Candidates must be dues paying members in good standing a minimum of ninety days prior to the election. Candidates must not have any felony convictions. The following are not eligible to serve as Directors: the General Manager, anyone directly supervised by the General Manager, or anyone supervised by the Board of Directors. Only one member per household may serve as a Director at any given time.

- 5.3. **Director's Qualifications.** Directors must agree to abide by all applicable New Mexico statutes and regulations relevant to the Cooperative, particularly the New Mexico Regulation and Licensing Department, Alcohol and Gaming Division. These qualifications include, but are not limited to, all Directors passing a background check with fingerprinting so that the Cooperative may maintain its license. The Cooperative will pay for the costs associated with conducting each Director's background check and fingerprinting. As required by the Alcohol and Gaming Division, Directors must not have any felony convictions.
- 5.4. **Number.** At the annual membership meeting, the members must elect enough Directors to maintain a minimum of five Directors and a maximum of nine Directors. The number of Directors outside this range may be increased or decreased by amendment of these bylaws, but a decrease in the number of Directors must not shorten the term of any incumbent Director.
- 5.5. **Term.** The term of office of each Director is three years. Each Director holds office for the three-year term for which the Director is elected and until the Director's successor has been elected. A Director may serve two three-year terms for a total of six years, and then must remain off the Board of Directors at least one year before serving as a Director for only one additional term.
- 5.6. **Compensation.** Directors, including Officers, serve as unpaid volunteers. The Board of Directors may authorize reimbursement of expenses related to service as a Director and may authorize thank you perks, such as gift cards to be redeemed at the Cooperative, in exchange for service as a Director. The Board of Directors may specify these perks in the Governance Policy.
- 5.7. **Regular Meetings.** The Board of Directors will hold a regular meeting to elect Officers soon after the Annual Membership Meeting at which Directors are elected. The Board of Directors must hold other regular meetings at least once a month. Board of Directors meetings are open to Members attending unless the Directors deem sensitive the nature of the meeting and commence an executive session.

- 5.8. **Special Meetings.** The President may call a special meeting at any time. The President must call a special meeting upon written request of any two (2) Directors and the President must schedule the meeting not more than seven (7) days after the receipt of the request.
- 5.9. **Notice.** Notice of each meeting must be provided via email to the Directors at least five (5) days in advance of the meeting.
- 5.10. **Quorum.** A simple majority of the number of Directors constitutes a quorum for the transaction of business at any regular or special meeting. For example, when there are 5 Directors, 3 constitutes a quorum; when there are 6 Directors, 4 constitutes a quorum; when there are 7 Directors, 4 constitutes a quorum; when there are 8 Directors, 5 constitutes a quorum; when there are 9 Directors, 5 constitutes a quorum. Attendance at meetings may be in person, via teleconference, video conference or other means that allows all Directors attending the meeting to hear each other at the same time. The act of the majority of the Directors present at a meeting at which a quorum is present is the act of the Board of Directors.
- 5.11. **Voting By Email.** The Board of Directors may conduct business by voting by email in the following limited circumstances: The proposed action presented via email to the Directors has been discussed at a previous Directors meeting; action must be taken before the next Directors meeting; and the email requesting that Directors vote is transmitted to each Director's email address of record and is an email account over which the Director has exclusive control. If an amendment to the action is proposed, Directors must vote on the amendment in addition to voting on the proposed action so that it is clear to all Directors what is being voted on via email. At the next Directors' meeting after the vote by email, the proposed action and votes must be read into the minutes.
- 5.12. **Presumption of Assent.** A Director present at a Board of Directors meeting is presumed to have assented to the action taken at the meeting unless the Director's dissent is entered in the minutes of the meeting, or unless the Director files written dissent against the action with the Secretary of the meeting before the meeting adjournment. A Director who voted in favor of an action may not dissent from it.

- 5.13. **Vacancies.** The Board of Directors may vote on candidates to fill vacancies in the Board of Directors from the time the vacancy occurs until the next Annual Membership meeting. Any newly elected Director will serve until the next Annual Membership Meeting, at which the Director can stand for election by the members to a full term as a Director.
- 5.14. **Resignation.** A Director may resign by delivering written notice to the Officers. The resignation is effective immediately upon delivering the notice.
- 5.15. **Removal of Directors.** A Director may be removed with or without cause at the regular Annual or special membership meeting when two-thirds of the members casting votes vote in favor of removal. The Director must have an opportunity to be heard at the meeting prior to the vote.
- 5.16. **Indemnification of Directors.** The Cooperative may, to the fullest extent authorized by Section 53-4-18.1 and 53-4-18.2 NMSA 1978, indemnify any Director or officer of the Cooperative against reasonable expenses and against liability incurred by a Director or officer because he or she was a Director or officer of the Cooperative. In order to qualify for indemnification, the Director must have been acting in good faith and in the Cooperative's best interest, and the Director must not have breached or failed to perform duties in a way that constitutes willful misconduct or recklessness. These indemnification rights do not exclude any other rights to which the Director or officer may otherwise be entitled. Coverage and exclusions are specified in the Directors and Officers insurance policy.
- 5.17. **Conflict of Interest.** Any Director who has a perceived, potential or actual conflict of interest with the Cooperative must disclose that conflict to all other Directors in writing. The Director with a perceived, potential or actual conflict of interest must not participate or be present during the Directors' discussion of or voting on any business involving the conflict. Before taking any action that could benefit a Director, the remaining Directors must determine whether the action is in the Cooperative's best interests and whether competitive bids should be considered.

- 5.18. **Committees.** The Board of Directors may appoint special or standing committees to advise the Directors, or to exercise such authority as the Board of Directors designates. Committees exercising any authority to act for the Cooperative must consist only of Directors. Advisory committees must include at least one Director, but may also include Members.

Article 6: OFFICERS

- 6.1. **Officers.** The Officers of this Cooperative consist of a president, a vice-president, a secretary and a treasurer. The Board of Directors may elect or appoint other officers as the Directors deem advisable.
- 6.2. **Election and Term.** After the Annual Membership Meeting at which Directors are elected, the Directors will elect officers. If the election of officers is not held immediately after the Annual Membership Meeting, the officers election must be held as soon thereafter as may be convenient for the Directors. Each officer will hold office until the Officer's successor has been elected at the annual election of officers meeting, unless the officer resigns or is removed from office. The Board of Directors may vote to remove Officers by a two-thirds vote in favor removing the Officer. The Board of Directors must act promptly to fill vacancies in officer positions and may fill vacancies at any Board of Directors' meeting.
- 6.3. **Duties of Officers.** The duties of the officers of the Cooperative are summarized here. The duties of the office of President are delineated in greater detail in the Governance Policy:
- a. **President.** The President presides over membership and Directors meetings, or delegates a facilitator to preside. The President may sign any deeds, contracts, or other instruments which Directors have authorized to be executed, except in cases in which the signing is expressly delegated by the Directors or by these bylaws or by statute to some other officer or agent of the Cooperative. In general, the President performs all duties incident to the office of President. The President calls regular and special Directors' and members' meetings.

- b. **Vice-President.** In the absence of the President or in the event of President's inability or refusal to act, the Vice-President performs the duties of the President. When acting as the President, the Vice-President has all the powers and all the responsibilities of the office of President.
- c. **The Secretary.** The Secretary is responsible for (1) keeping a complete and accurate record of meeting minutes and preparing minutes for approval within twenty (20) days after the meeting, or delegating this task to other competent persons; (2) acting as a legal signer for the Cooperative; (3) ensuring that notices are given in accordance with the statutes and bylaws; (4) maintaining current contact information for the Directors and making it available when asked by other Directors, Members, the General Manager, and staff; and (4) carrying out any other duties that the Board of Directors may require.
- d. **The Treasurer.** The Treasurer is responsible for (1) receiving and disbursing all funds of the Cooperative, including signing checks; (2) keeping a complete and accurate record of all financial transactions of the Cooperative, and making adequate and timely financial reports to the Board of Directors and the membership; (3) maintaining all membership records and records regarding equity interests; (4) filing the Cooperative's annual report with the New Mexico Secretary of State; (5) ensuring that the annual audit is conducted; (6) ensuring the filing of the Cooperative's tax returns; (7) delegating Treasurer duties to other competent persons, as approved by the Directors; and (8) carrying out any other tasks that the Board of Directors may require.

Article 7: GENERAL MANAGER & STAFF

- 7.1. **General Manager.** The Board of Directors may hire a General Manager to serve as a paid employee of the Cooperative and the Directors may authorize reasonable compensation. The Directors remain responsible for governing the Cooperative, and to effectively govern, the Directors will delegate daily operations to the General Manager to implement plans initiated by the Directors. The Directors will annually evaluate the General Manager's performance.

- 7.2. **Brewers.** The Directors may hire one or more Brewers to serve as paid employees of the Cooperative and the Directors may authorize reasonable compensation. The Directors will annually evaluate each Brewer's performance in accordance with the Governance Policy. The General Manager may not hire or terminate Brewers, but instead may make hiring and termination recommendations to the Directors regarding the Brewers. The decision to terminate a Brewer's employment is reserved to the Directors. The Directors may terminate a brewer's employment upon recommendation of the General Manager or upon the Directors' own initiative. Brewers have the discretion to choose what to brew, based on their own judgment and market interest.
- 7.3. **Other Staff.** The General Manager is responsible for supervising and evaluating staff working at the taproom. The General Manager is responsible for determining staff compensation within the taproom's budget. The General Manager has the discretion to hire and terminate bartenders, assistant brewers, and other hourly-paid staff, consistent with the Cooperative's employee handbook.

Article 8: FINANCIAL MATTERS & RECORDS

- 8.1. **Deposits.** The Board of Directors, the Treasurer, and the General Manager must ensure that the Cooperative's funds are deposited into banks, credit unions, trust companies or other reliable depositories and credited to accounts in the Cooperative's name.
- 8.2. **Contributions.** The Board of Directors may accept on behalf of the Cooperative any contribution, gift, bequest, or devise as may be consistent with the Cooperative's purpose and as may be permitted by any applicable local, state, or federal law.
- 8.3. **Checks.** The Board of Directors authorize the General Manager, Treasurer or Treasurer's designee to sign checks on behalf of the Cooperative and in compliance with the Cooperative's check signing policy.
- 8.4. **Loans.** Loans or other indebtedness on behalf of the Cooperative are prohibited, unless specifically authorized by the Board of Directors and recorded in meeting minutes and documented with promissory notes or

other legal documents as appropriate for the indebtedness. The Directors, the General Manager, and staff are prohibited from making loans from the Cooperative to any Director, the General Manager or any staff member.

- 8.5. **Contracts.** The Board of Directors may authorize the officers to enter into any contract or execute any instrument in the name of, and on behalf of, the Cooperative. Such authority may be general or confined to specific instances. Officers may not contract or execute any instrument on the Cooperative's behalf without written authorization from the Board of Directors.
- 8.6. **Fiscal Year.** The Fiscal Year of the Cooperative is the calendar year.
- 8.7. **Audits.** The Board of Directors must cause an audit to be conducted at the end of the Fiscal Year by an experienced bookkeeper or accountant unrelated to any Director. The Board of Directors must present the audit report at the annual membership meeting. The audit report must include the amount transacted with members, the amount transacted with non-members, the balance sheet, and the income and expenses.
- 8.8. **Minutes.** The Board of Directors must make available the approved minutes from the membership meeting, the approved minutes from the Directors meetings, and the financial records to any member who requests to view them, within thirty days of the member's written request. The Directors may also make available approved minutes on the web site.

Article 9: DISPOSITION OR ENCUMBRANCE OF PROPERTY

- 9.1. **Disposition.** The Cooperative may not sell, convey, lease, exchange, transfer or otherwise dispose of all or any substantial portion of its property unless the Directors provide notice to the members regarding the proposed transaction, hold a members meeting, and at least two-thirds of all the Cooperative's members approve the transaction.
- 9.2. **Encumbrances.** The Board of Directors, without authorization by the Members, has full authority to execute a mortgage, deed, deed of trust, or assignment for security purposes to encumber the property. The Board of

Directors may pledge assets, rights, privileges, licenses, franchises and permits of the Cooperative, all on terms and conditions as the Directors determine, to secure any indebtedness of the association.

Article 10: WAIVER OF NOTICE

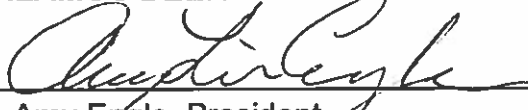
Members meetings and Board of Directors meetings may occur without proper notice if the notice is waived. Attendance by a Member or Director constitutes a waiver of notice, unless the Member or Director attends the meeting for the purposes of objecting to the lack of proper notice.

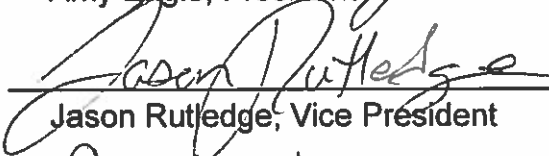
Article 11: BYLAWS AMENDMENTS

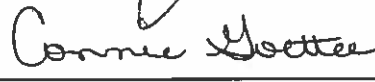
11.1. **Periodic Review by Directors.** It is the responsibility of the Board of Directors to review these bylaws at a meeting of the Directors approximately three years after the last amendment, or as needed, and to determine whether the Directors desire to propose bylaws amendments to the membership. The bylaws may be amended by a majority vote of the members voting in favor of adopting the amendments.

11.2. **Approval by Members.** We hereby certify that these bylaws of **LOS ALAMOS BEER COOPERATIVE, doing business as Bathtub Row Brewing Co-op**, a New Mexico Cooperative, were approved by a majority of members voting in favor of these bylaws on August 5, 2016.

LOS ALAMOS BEER COOPERATIVE:

By: 
Amy Engle, President

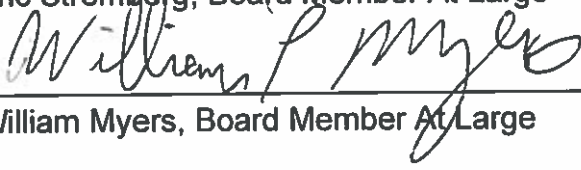
By: 
Jason Rutledge, Vice President

By: 
Connie Goettee, Secretary

By: 
Adam Collins, Treasurer

By: 
Nancy Ambrosiano, Board Member At Large

By:  17. June. 2016
Eric Stromberg, Board Member At Large

By: 
William Myers, Board Member At Large