

## BYLAWS OF THE ASTORIA COOPERATIVE

### Article I: Organization

1.1 **Name.** The name of the organization is Astoria Cooperative (henceforth “the Co-op”).

1.2 **Ownership and Purpose.** The Co-op shall be owned by its members and shall operate in accord with the International Co-op Alliance’s Statement on the Cooperative Identity for the mutual benefit of its members.

### Article II: Membership

2.1 **Eligibility.** Membership in the Co-op shall be open to any individual or legal entity who is in accord with its purposes and is willing to accept the responsibilities of membership.

2.2 **Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a person’s eligibility.

2.3 **Admission.** Membership in the Co-op shall be voluntary and open to any individual or any household group that desires to use the services of the Co-op and is willing to accept the responsibilities of membership. A household group shall be understood to mean a housekeeping unit consisting of one or more adults and any number of dependent children. Applicants will be admitted to membership upon submitting required information and purchasing or subscribing to purchase a common share at a price determined by the Board of Directors (“Board”). Payment options may vary in accordance with the financial circumstances of the applicant. In case of doubtful eligibility, membership shall be subject to approval by the Board.

2.4 **Rights.** Members have the right to elect the Directors to the Board, to attend meetings of the Board, to receive notice of and attend membership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws. Each member shall have one vote and no more on all matters submitted to members. The rights of members shall apply only to active members in good standing. All rights and responsibilities of members are subject to applicable state law, the bylaws as they may be amended from time to time, and to policies and decisions of the Co-op or the Board.

2.5 **Responsibilities:** Each member shall keep current in payment of the share purchase requirement set forth in Section 2.3 of these Bylaws. A member who becomes delinquent in meeting the share purchase obligation to an extent determined by the Board shall be placed into inactive status. Participation rights of such person shall then be suspended. A member in inactive status may attain good standing only upon full payment of all arrearages and a processing fee, if any, as determined by the Board. References in these bylaws to the rights and entitlements of members shall be understood to refer only to members in good standing.

2.6 **Termination of Membership.** A member may terminate his or her membership voluntarily at any time by written notice to the Co-op. Membership may be terminated involuntarily by the Board for cause after the member is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Coop’s bylaws or policies, actions that will impede the Co-op from accomplishing its purposes, actions or threats that adversely affect the interests of the Co-op or its members, willful obstruction of any lawful purpose or activity of the Co-op, breach of any contract with the Co-op.

2.7 **Non transferability.** Membership rights and member equity may not be transferred in any manner.

### **Article III: Member Meetings and Decision Making**

3.1 **Annual Meeting.** An annual membership meeting shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on governance, operations and finances, to review issues that vitally affect the Co-op, to elect Directors to the Board and to transact such other business as may properly come before the meeting.

3.2 **Special Meetings.** The Board may call special meetings of the membership. The Board shall call a special meeting if presented with a written petition stating a proper purpose and signed by 15% of active members. Notice of special meetings shall be issued to members. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting.

3.3 **Notice of meetings.** Notice of the date, time, place and purpose of each meeting of the membership shall be posted in a conspicuous place at the Co-op and communicated to members not less than 15 days prior to the date of the meeting.

3.4 **Voting.** Voting on all matters that members are entitled to vote upon will be accomplished through paper or electronic ballots, or both, as authorized by the Board. Unless otherwise specified in these bylaws, notice of the vote shall be posted in a conspicuous place at the Co-op and communicated by written notice delivered to members' postal or electronic address not less than 15 days prior to the end of the election period. Unless otherwise stated in the articles of incorporation or these Bylaws, or required by law, all questions shall be decided by a vote of a majority of the members voting thereon. Proxy voting is not allowed.

3.5 **Quorum.** At any meeting of the members, or for any vote of the members, a quorum necessary for decision-making shall be 10% of the total number of members or 100 members, whichever is less.

### **ARTICLE IV: Board of Directors**

4.1 **Powers and Duties.** Except as to matters reserved to members by law or by these Bylaws, the corporate powers of the Co-op shall be exercised by or under the authority of the Board, and the business and affairs of the Co-op shall be managed under the direction of the Board.

4.2 **Numbers and Qualifications.** The Board shall consist of not less than five nor more than nine individuals, as determined at the annual meeting of members. One of such Directors shall be a staff Director. The staff Director shall be nominated and elected by the staff who are members. No more than one employee shall serve as a Director at any time.

4.3 **Eligibility.** Directors must be members of the Co-op in good standing. A person with a conflict of interest so continuing and pervasive that he or she is unable to effectively fulfill the responsibilities of a Director with the Co-op shall not be qualified to serve as a director.

4.4 **Terms and Elections.** Elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year.

4.5 **Vacancies.** Any vacancy among Directors may be filled by appointment by the Board. A

Director so appointed shall be appointed until the end of the pertinent term.

**4.6 Removal.** A Director may be removed by decision of 2/3 of the remaining Directors for conduct contrary to the best interests of the Co-op or failure to follow Board policies. A Director may be removed by decision of the members in accordance with the petition and voting provisions of these Bylaws.

**4.7 Meetings.** The Board shall hold regular and special meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least five (5) days in advance of the meeting, unless the Board agrees to a shorter notice. The Board will provide reasonable notice of all board meetings to members. Attendance at any meeting constitutes waiver of notice of that meeting. Meetings shall be open to all members unless the Board decides to go into executive session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Co-op's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.

**4.8 Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken by written action affirmed by all of the Directors. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action.

**4.9 Quorum.** A majority of the current Directors shall constitute a quorum and no decisions shall be made without a quorum.

**4.10 Decision making.** The Board shall strive to make decisions by consensus, attempting to reconcile differing points of view based upon the best interests of the Co-op. Any decision made by consensus shall be deemed to be inclusive of a vote in any required percentage. If, in the opinion of a majority of Directors present, diligent efforts have failed to produce a consensus and the issue requires immediate action, then such issue shall be decided by a two-thirds vote of Directors.

**4.11 Standards of Conduct.** Subject to ORS 62.283, directors shall be responsible at all times for discharging their duties in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner that they reasonably believe to be in the best interests of the Co-op. The Co-op may not lend money to, or guarantee the financial obligations of, a Director.

**4.12 Conflicts of Interest.** Directors shall be under an obligation to disclose their actual or potential conflicts of interest. Directors having such a conflict shall absent themselves from discussion and decision of any related matter under consideration by the Board unless otherwise determined by the Board. Directors may not do business with the Co-op except in the same manner as other members generally do business with the Co-op or under other conditions that are procedurally defined to avoid preferential treatment.

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

**4.14 Committees.** The Board may appoint special or standing committees to advise the Board or to exercise such authority as the Board shall designate. Advisory committees shall include at least one Director. Committees exercising any authority of the Board shall consist only of Directors and shall conform to all procedural requirements applicable to the Board.

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

#### **ARTICLE V: Equity**

**5.1 Issuance.** To evidence capital funds provided by owners, the Co-op shall issue common shares. Common shares may be issued only to persons eligible for and admitted to membership in the Co-op. Such shares shall be issued only upon full payment of the stated value of the shares, as determined by the Board. Payment for shares shall not exceed three hundred dollars or such higher amount as may be permitted by ORS 59.025(11) or the corresponding provision of any subsequently enacted Oregon statute.

**5.2 Terms.** Common shares shall not be entitled to receive dividends or other monetary benefit, other than patronage dividends described in Article IV of these Bylaws. Such Common shares shall be nontransferable and may not be pledged as security for a debt of the holder. Shares shall be subject to assessment insofar as it may become necessary to increase the required capital investment of owners by reason of the current or prospective capital needs of the Co-op.

**5.3 Certificates.** Members shall be entitled to receive certificates evidencing outstanding shares. All certificates shall be signed personally or by facsimile by a principal officer of the Co-op and shall be numbered and registered by the Co-op. Each certificate shall have printed upon it such information as is required by law. The Co-op may issue a replacement certificate for any common share alleged to have been lost, stolen or destroyed without requiring the giving of a bond or other security against related losses.

**5.4 Termination.** Upon termination of membership, the common share of the member shall be redeemed as soon as replacement capital has been secured by the Co-op from other members. Common shares may also be redeemed under other compelling circumstances as determined by the Board. Shares shall be redeemable at the lesser of their carrying value on the books of the Co-op or their net book value. In the case of voluntary termination of membership, a reasonable processing fee may be imposed, as determined by the Board. Reapplications for membership after redemption shall be subject to full repayment of redemption proceeds and a reasonable reprocessing fee, if any, as determined by the Board.

#### **ARTICLE VI: Patronage Dividends**

**6.1 Allocations to members.** The Co-op may allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with Co-op principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made.

**6.2 Consent of members.** By obtaining or retaining membership in the Co-op, each member consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Co-op. Each member also agrees that if his or her patronage dividend is not cashed within 90 days of the date on which it was issued by the Co-op, the Co-op shall have the right to make a contribution in the name of that member to support other organizations aligned with the Co-op's purpose in a manner as may be directed by the Board from time to time.

## **ARTICLE VII: Dissolution and Liquidation**

**7.1 Asset Distribution.** The Co-op may be dissolved or liquidated upon a decision of the Board and a two-thirds (2/3) affirmative vote of the members who participate in the vote. Upon dissolution of the Co-op, its assets shall be distributed in the following manner and order of priority: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming any equity accounts which, if they cannot be paid in full, shall be paid on a pro rata basis; (iii) by distributing any remaining assets in a way that furthers the Co-op's mission, as determined by the Board.

## **ARTICLE VII: Bylaws Amendments**

**7.2 Amendments.** These Bylaws may be amended or repealed in whole or in part by a majority of the members who participate in the vote. An amendment may be proposed by the Board or by petition of at least fifteen percent (15%) of active members. The proposed amendment shall be publicized to the membership not less than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.