



Yelm Food Cooperative Bylaws

1. Corporate Name

The name of the Corporation shall be Yelm Food Cooperative with trade name of Yelm Food Co-Op. The Corporation is authorized to maintain such additional trade names as the Board of Directors or President shall deem appropriate. It is established under Washington State RCW 24.06 as a Miscellaneous and Mutual Charter.

2. Membership

a. Membership will be equity based.

b. As provided in the Articles of Organization, Membership and equity in the Corporation shall initially be held entirely by Yelm Cooperative, a nonprofit corporation formed under RCW Chapter 24.06 on September 15, 2005 (UBI No. 602-539-456). As soon as practical after the effective date of incorporation of the Corporation, Memberships and equity in the corporation not to exceed the amount of \$120 will be transferred by Yelm Cooperative to each of its original founding Members (i.e., Members who paid their entire capital contribution prior to the time that Yelm Cooperative achieved tax – exempt status January 1, 2012).

c. Thereafter, additional Members may be admitted by making an initial Membership fee as a contribution to equity capital in an amount of \$100.00 which may be paid in a lump sum or in annual increments of a minimum of \$25.00 over a four-year period. The Board may establish additional requirements for Membership from time to time, including signing an appropriate Membership application.

d. Refunds of a Member's equity capital will only be made on request of a Member on termination at the discretion of the Board of Directors or pursuant to authority delegated to the General Manager, when and if the Corporation has adequate funds and equity to make the refund.

e. Voting: only those Members who are current with their Membership fee or are fully paid will have voting rights.

f. The Annual Meeting of the Members shall be held at such date, time and place as the Board of Directors shall determine. At the Annual Meeting, the Members shall elect new Directors or Directors whose 3 year terms are expiring in the month of the Annual Meeting.

g. Special Meetings of the Members may be called by a majority of the Members or Directors upon Notice to the Members as required by these By-Laws.

h. Each Member shall have one vote.

i. At any Meeting of the Members, 10% of the Members shall constitute a quorum. A quorum shall be required to pass any resolutions of the Members.

j. The vote of the majority of those present at any Meeting where a quorum is present is required to pass resolutions of the Members.



k. A Member may terminate his/her/its Membership voluntarily at any time by written notice to the Corporation. Membership may be terminated involuntarily by the Board of Directors for cause after the Member is provided fair notice of the reasons for proposed termination and has had an opportunity to respond in person or in writing. Cause may include (a) intentional or repeated violation of any provision of the Articles of Incorporation or Bylaws or reasonable policies adopted by the Board of Directors, (b) actions that impede or will impede the Corporation from accomplishing its purposes, (c) actions or threats that adversely affect the interests of the Corporation or its Members, (d) willful obstruction of any lawful purpose or activity of the Corporation, or (e) breach of any contract with the Corporation. Membership is automatically terminated if a Member shall die or cease to exist.

3. Directors

a. The affairs of the Corporation shall be managed by a Board of Directors consisting of at least five and no more than nine Directors.

b. The initial Board of Directors shall be the initial directors named as such in the Articles of Incorporation and shall adopt the By-Laws, elect the initial Officers, and transact such other business as may be necessary to set up the Corporation. The initial Board of Directors shall have the authority to cause the Membership to elect the first elected Board of Directors according to nomination and election procedures it establishes.

c. The Annual Meeting of the Board of Directors shall be held within two weeks following the Annual Meeting of the Members. At the Annual Meeting, the Directors shall elect the Officers to serve until successors are elected.

d. Special Meetings of the Board of Directors may be called by a majority of the Directors or the President upon notice to the Directors as provided in these By-Laws.

e. The Board of Directors may establish times for regular meetings of the Board of Directors.

e. Each Director shall have one vote.

f. At any Meeting of the Board of Directors, a majority of the Directors shall constitute a quorum. The vote of the majority of those present at any Meeting where a quorum is present is required to pass resolutions and take other actions of the Board of Directors, except in cases where a larger percentage is required by law or by these Bylaws.

g. The Directors may establish Committees composed of Members and/or Directors. A Committee shall have the same authority to act as the Board of Directors if (1) at least one Director serves on the Committee, and (2) the Board of Directors passes a Resolution that such Committee shall have the same authority as the Board of Directors in all matters relating to the purpose of the Committee.

h. The Directors shall serve for three years, except that the initial Directors may serve for one, two or three years so that the election of Directors is staggered to provide for election of some Directors in one year, and the remaining Directors in the following two years.

i. The Directors shall serve at the pleasure of the Members and may be removed by a majority vote of the Members or Directors at any time with cause. If a Director misses two consecutive regular meetings of the Board without consent of the Board or without reasonable excuse, the Director shall be automatically removed.



j. A Director may resign upon one month's notice to the Board of Directors, except for hardship such as illness or relocation out of Thurston County.

k. Vacancies among the Board of Directors may be filled by a majority vote of the Board of Directors at any meeting where there is a quorum present.

4. Officers

a. The day-to-day operations of the Corporation shall be managed by the Officers, which shall consist of a President, one or more Vice Presidents, Secretary and Treasurer and such other Officers as the Directors designate from time to time. One person may hold more than one or all of these offices except the offices of President and Secretary.

b. The President shall be the chief executive officer of the Corporation and is duly authorized to bind the Corporation on contracts and transactions up to \$5,000.00 without prior approval of the Directors, subject to (i) policies adopted by the Board of Directors permitting expenditures to be made without approval of the Directors if approved in an annual operating budget and (ii) policies adopted by the Board of Directors increasing the \$5,000 contract and transaction limit for specified expenditures.

c. The Vice President(s) shall fulfill the role of the President in the President's absence, and shall perform such other duties as the President or Directors assign.

d. The Treasurer shall maintain the financial records of the Corporation and shall issue an Annual Report to the Members at the Annual Meeting of the Members. The Treasurer shall ensure that all tax returns are promptly filed with the state and federal taxing authorities.

e. The Secretary shall maintain the corporate records of the Corporation, ensure that Annual and Special Meeting notices are timely provided in accordance with these Bylaws, ensure Minutes or Consents of Annual and Special Meetings are filed in the corporate book, and ensure the Annual Report is filed with the Washington Secretary of State.

f. The Officers shall serve for two years, except that the initial Officers may serve for one or three years so that the election of Officers is staggered to provide for election of some Officers in one year, and the remaining Officers in the following year.

g. The Officers shall serve at the pleasure of the Board of Directors and may be removed by a majority vote of the Directors at any time with or without cause.

h. An Officer may resign upon one month's notice to the Board of Directors, except for hardship such as illness or relocation out of Thurston County.

i. Vacancies among the Officers shall be filled by a majority vote of the Board of Directors at any meeting where there is a quorum present. These Directors must stand for election by the Members at the next Annual General Meeting.

5. Supporters

The Directors may establish, amend and revoke requirements for one or more classes of Supporters who are not Members, including without limitation: fees assessed, tax deductibility, classification name, and any benefits afforded to Supporters. Supporters of one class shall all be afforded the same benefits as those within the class with no preference given to an Affiliate in one class over another Affiliate of the



same class.

6. Notices

a. Annual Meetings. An annual meeting shall be held at a place and time determined by the Directors for each year. Notice of Annual Meetings shall be provided at least thirty (30) days in advance of the Meeting. Notice of Annual Meetings may be made by email, fax, telephone or mail and shall state the date, time and place of the Meeting.

b. Special Meetings. Notice of Special Meetings of the Members shall be made on seven (7) days' notice to the Members. Notice of Special Meetings of the Board of Directors shall be made on five (5) days to the Directors. Notice of Special Meetings may be made by email, fax, telephone or mail and shall state the date, time, place and purpose of the Meeting. Notice is deemed made when emailed, mailed, or faxed to the Members or Directors at their email or mailing address or fax number of record. Notice by email is only valid if the person receiving the notice has signed a written consent to receiving Notices by email. Notice by mail shall be considered received three days after mailing. If Notice is provided by telephone, the person providing the Notice shall sign a Declaration of Notice to include the date and time of the Meeting and the date and time when telephonic Notice was given and submit the original Declaration of Notice to the Secretary for filing in the corporate book.

c. Regular Meetings of the Board of Directors. No Notice is required to be given for Regular Meetings of the Directors and minutes of such meetings are not required.

d. Notice by Electronic Transmission. Notice by email or fax or other electronic transmission is only valid if the person receiving the Notice has signed a written consent to receiving Notices by electronic transmission. Notice is deemed made on the date the Notice is electronically transmitted to the Members or Directors at their email address, fax number or other electronic address of record.

e. Notice by Fax. Notice is deemed made on the date the Notice is faxed to the Members or Directors at their fax number of record.

f. Notice by Telephone or in Person. Notice is deemed made when Notice is provided to the Member or Directors by talking with the person by telephone or in person. If Notice is provided by telephone or in person, the person providing the Notice shall sign a Declaration of Notice to include the date and time when telephonic Notice was given and submit the original Declaration of Notice to the Secretary for filing in the corporate book.

g. Notice by Mail. Notice by mail is deemed made three days after mailing. If Notice is provided by telephone, the person providing the Notice shall sign a Declaration of Notice to include the date and time when telephonic Notice was given and submit the original Declaration of Notice to the Secretary for filing in the corporate book.

h. Waiver of Notice. Any Member or Director may waive Notice in writing. A Member or Director's attendance at a meeting shall be considered a waiver of Notice without the necessity of a written Waiver.

7. Meetings

a. At any Annual Meeting, the Members and Directors may transact any business that is lawful and in conformity with these By-Laws.



b. At any Special Meeting of the Members or Directors, only the business purpose specified in the Notice shall be conducted unless all Members or Directors are present or consent in writing to the transaction of the other business.

c. Any Annual or Special Meeting of the Members or Directors may be held in person, by telephone conference call, internet conference, video conference or other means whereby all persons attending the Meeting can hear one another at the same time.

d. In lieu of attending any Meeting of the Members or Board of Directors, a majority of the Members and Directors may adopt resolutions and take any legal action by signing a Consent in Lieu of Meeting which sets forth the resolutions adopted and action to be taken.

e. No action or resolution of the Members or Board of Directors adopted at a meeting of the Members or Directors shall be valid unless (1) a quorum exists at such meeting, and (2) a majority of those entitled to vote adopt the action or resolution.

8. Corporate Books and Records

The President shall ensure that the Corporation maintains adequate books and records at the office of the Corporation and the same shall be available for inspection by any Member at any reasonable time upon reasonable notice. The Secretary shall make the corporate book of the Corporation available for inspection by any Member at any reasonable time upon reasonable notice.

9. Patronage Operation

a. Allocations to Members. The Corporation shall allocate and distribute to current Members (and if authorized by the Board, non-Member patrons pursuant to a written agreement) the net profit from business done with them (less any amount declared by the Board prior to the beginning of a fiscal year to be set aside in an unallocated reserves) in such a manner as to qualify them as patronage dividends consistent with cooperative 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, including the amount (if any) distributed in cash and the amount (if any) and form of any amount distributed as patronage equity, whether the allocations will be made in one or more divisions, departments or allocation units, and whether all or part of the excess margins shall be set-aside in capital or other necessary reserves. Net profit from business done with persons that are not Members (or eligible non-Member patrons) may be allocated to Members and eligible non-Member patrons or set aside in an unallocated surplus or retained earnings (if the allocation is made prior to the beginning of the fiscal year).

b. Reserves. Amounts carried in reserves shall be allocated on the books of the Corporation on a patronage basis, or in lieu thereof the books and records of the Corporation shall afford a means of doing so at any time so that in the event of distribution each Member and eligible non-Member patron may receive a pro rata share of such distribution. Amounts carried in reserves or unallocated surplus and not allocated to the Members and eligible non-Member patrons may be so allocated by the Board at any time.

c. Non-Member Patrons. The Board may establish policies by which legal entities or persons that are not Members but who are aligned with the Corporation's purpose may contract with the Corporation to deal on a patronage basis without voting rights.

d. Extraordinary Gains. Net gain produced by a transaction (such as income from the lease of premises, investment in securities, or from the sale or exchange of capital assets) which is directly related to the Corporation's business will be deemed to be patronage sourced margins and may be distributed to Members (and any other patrons with whom the Corporation has contracted to deal on a patronage basis)



in proportion, insofar as is practicable, to their patronage during any period to which such margins are attributable, as determined by the Board.

E. Allocation of Losses.

i. Operating Losses. An operating loss will be apportioned among the Members and eligible non-Member patrons during the year of loss so that the loss will, to the extent practicable, be borne by those Members and eligible non-Member patrons with respect to the loss year on an equitable basis, including charging the loss against allocated reserves, unallocated surplus or the patronage equity. Members and eligible non-Member patrons may not be directly assessed for any loss. The Board may also direct that all or part of any loss be carried forward or back so long as any carryforward or carryback will not place an inequitable burden upon past or future Members.

ii. Other Losses. If, in any fiscal year, the Corporation incurs a loss other than an operating loss, the Board may determine the basis on which patronage capital furnished by the Members and eligible non-Member patrons may be reduced or such loss is to be otherwise equitably apportioned among the Members and eligible non-Member patrons.

F. Terms of Allocated Patronage. The Board may adopt policies by which Members and eligible non-Member patrons are offered the chance to donate all or part of his, her or its patronage dividend to one or more other organizations aligned with the Corporation's purpose, or forfeit all or part of the patronage dividend to the Corporation or for any other designated purpose that furthers the Corporation's mission.

G. Consent of Members. By obtaining or retaining Membership in the Corporation, 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 Corporation.

10. Amendment of By-Laws

These By-Laws may only be amended by a vote of two thirds of the Directors or Members at any Special or Annual Meeting or by Consent in Lieu of Meeting. Notice of proposed changes to the By-Laws shall be provided in advance of any Special or Annual Meeting at which a vote will be taken to amend the By-Laws.