

# Bylaws of Cascade Cooperatives

Cascade Cooperatives (“Cooperative”) is organized under RCW 24.06, the Washington Mutual and Miscellaneous Corporations Act.

Cascade Cooperatives is a network of cooperative businesses and organizations in Whatcom and Skagit Counties, united to promote the development of a strong local, cooperative economy. Any cooperative business, meeting the requirements for Membership of Cooperatives, is welcome to join.

Cascade Cooperatives, a cooperative business association, exists to provide support and mutual aid to cooperatives in Whatcom and Skagit Counties and to support the development of a local cooperative economy while operating on a non-profit, cooperative basis for the benefit of current and future Members.

## ARTICLE I. MEMBERSHIP

**Section 1. Classes of Members.** The Cooperative shall have one class of Members. No other classes of Members shall be created unless approved by then-existing classes of Members in accordance with to the Articles of Incorporation and these Bylaws.

**Section 2. Membership.** Any cooperative business or cooperative organization in Whatcom or Skagit County is eligible to apply for Membership in the Cooperative. The Member Eligibility Criteria is hereby established:

Membership is open to any Whatcom and/or Skagit County cooperative that:

- a) is incorporated or operating as a cooperative and to the benefit of its members.
- b) executes a “Cascade Cooperative Member Agreement” (Membership Agreement)
- c) and is approved by a vote of all Members.

**Section 3. Member Representatives.** Each Member shall appoint a Member Representative to cast a vote on behalf of the Member. Each Member shall appoint a Member Representative preceding the Annual Meeting of the Cooperative. The Member Representative shall serve for a term of one (1) year or until the next Annual Meeting of the Cooperative whichever comes first. Members Representative may be reappointed for no more than three consecutive terms. The term shall begin at the first Annual Meeting after the Member Representative was appointed and terminate at the following Annual Meeting. If a Member joins the Cooperative after the Annual Meeting of the Cooperative the Member shall appoint a Member Representative to serve until the next Annual Meeting of the Members.

**Section 4. Duties of Member Representatives.** Each Member will have one (1) vote on each matter submitted to a vote of the Members. Member Representatives will vote on behalf of the Member that they represent. Member Representatives shall keep the Member informed on the activities of the Cooperative. Member Representative shall inform the Member of any and all feedback or approval required from the Member regarding those activities. The duties of the Members to the Cooperative or to each other with respect to the Cooperative shall only be those established in or pursuant to these Bylaws and the Membership Agreement; there shall be no other express or implied duties of the Members to the Cooperative or to each other with respect to the Cooperative.

**Section 5. Resignation of Member Representatives.** A Member Representative may resign or be removed from its role by the Member for any reason. The Member shall provide written notice of the resignation or removal of the Member Representative and appointment of the replacement Member Representative to the Cooperative within 7 days of the appointment.

**Section 6. Termination of Member Representatives.** A Member Representative may be terminated by the Cooperative in a decision of majority vote according to Cooperative's decision-making process as outlined in these Bylaws.

**Section 7. Vote of No Confidence of Member Representative.** The Board of Directors may issue a Vote of No Confidence in a Member Representative. Upon receiving a Vote of No Confidence, the Member must respond with a written statement addressed to the Board of Directors within twenty-eight (28) days either a) replacing the Member Representative or b) providing an explanation as to why the Member Representative should not be removed. If a Member responds with a statement in support of keeping the Member Representative, Members shall hold a vote to terminate the Member Representative.

**Section 8. Certificates for Membership.** Membership in the Cooperative shall be certificated unless otherwise determined by the Board of Directors.

**Section 9. Annual Membership Dues.** The Members shall pay annual Member dues as established by the Board of Directors on an annual basis and as further described in the Membership Agreement. The Board of Directors shall notify the Membership of changes to annual Member dues amount 30 days in advance of any changes.

## **ARTICLE II. MEETINGS OF MEMBERS**

**Section 1. Annual Meeting.** The annual meeting of the Members shall be held in the State of Washington, during the month of February, or as soon thereafter as is reasonably practical, at such time and in such place as the Board of Directors shall designate.

**Section 2. Special Meetings.** Special Meetings of the Members may be called by either a majority of the Board of Directors, or by the Members by submitting a petition

signed by at least ten percent (10%) of the Members, demanding a Special Meeting. If the Special Meeting is called by the Members, then the Secretary shall call the Special Meeting within thirty (30) days of receiving the petition.

**Section 3. Notice of Meetings.** Written notice of every Regular and Special Meeting of Members shall be provided via mail or e-mail to the last known address of each Member at least ten (10) days, but no more than fifty (50) days, before the Meeting. Such notice shall state the nature of the business expected to be conducted at the Meeting and the time and location of the Meeting. Notice of Special Meetings shall specify the purpose of the Meeting. Only business within the purpose or purposes described in the meeting notice shall be conducted at a Special Meeting as required by RCW 24.06.105. If a Meeting will require a decision to amend the Articles of Incorporation or Bylaws, Members shall be provided written notice of those meetings at least thirty (30) days in advance.

**Section 4. Action at a Meeting.** If a quorum is present, a vote of a majority (51%) of the Members voting thereon shall be the act of the Members unless the vote of a greater number is required by the Articles of Incorporation or these Bylaws.

**Section 5. Voting.** Unless otherwise stated in the Articles of Incorporation, or these Bylaws, or required by applicable law, all decisions shall be made by a vote of a majority (51%) of the Members voting thereon.

Voting on specific pre-announced items by mail or otherwise by Members absent from Meetings shall be permitted. Such mail or absentee votes shall specify the decision to be voted upon, and a place to mark an affirmative or negative vote. Mail or absentee votes shall be received by the Secretary and duly recorded in the minutes of the Meeting. Proxy voting shall not be allowed. Cumulative voting is not permitted.

**Section 6. Quorum.** Three (3) Members or twenty-five percent (25%) of the Membership, whichever is greater, shall constitute a quorum at any properly called Annual or Special meeting.

### **ARTICLE III. DIRECTORS AND OFFICERS**

**Section 1. Number and Qualification of Directors.** The Cooperative shall have a Board of Directors of at least three (3) Member Representatives.

**Section 2. Election of Directors.** The Board of Directors shall determine the procedures for the conduct of elections. At the first annual meeting, Directors shall be elected to succeed the incorporating Directors. At each Annual Meeting thereafter, a new Director shall be elected, for a term of three (3) years each, to succeed those Directors whose term is expiring.

All Directors shall be elected by ballot, and the nominee(s) receiving the greatest number of votes shall be elected. A Director may run for three consecutive terms.

**Section 3. Election of Officers.** The Board of Directors shall meet within seven (7) days after the first election and within seven (7) days after each annual election and shall elect by ballot a President, one or more Vice Presidents, Secretary, and Treasurer, each of whom shall hold office until the election and qualification of a successor, unless earlier removed by death, resignation, or for cause. At any time, there shall be at least a President and the office of Secretary and Treasurer may be combined.

**Section 4. Vacancies.** Whenever a vacancy occurs in the Board of Directors, other than from the expiration of a term of office, the remaining Directors shall appoint a Member Representative to fill the vacancy for the remainder of the unexpired term of his or her predecessor in office.

If one or more Officer positions become vacant, such offices shall be filled by the Board of Directors, through election by ballot, at either a Regular or Special Meeting of the Board.

**Section 5. Regular Board Meetings.** In addition to the Meetings mentioned above, Regular Meetings of the Board of Directors shall be held at least quarterly, or at such other times and at such places as the Board may determine. Notwithstanding any provisions in the Bylaws to the contrary, the Board of Directors may conduct business by consent in lieu of meeting, if the consent clearly states the matter decided and is signed by all of the Directors who would be eligible to attend and vote at a Regular Meeting of the Board. Regular Meetings of the Board are open for all Members to attend except for executive sessions, which may be called by any Director during any Regular Meeting.

**Section 6. Special Board Meetings.** A Special Meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Only the business specified in the written notice shall be transacted at a Special Meeting. Each call for a Special Meeting shall be: 1) in writing; 2) signed by the person or persons calling the meeting; 3) addressed and delivered to the Secretary; and 4) shall state the time and place of such meeting. Special Meetings of the Board are open to all Members to attend with the exception of executive sessions which may be called by any Director during any Special Meeting.

**Section 7. Notice of Board Meetings.** Secretary shall provide all Directors written notice of a Board Meeting at least seventy-two (72) hours prior to the time of the meeting. But such notice may be waived by all the directors, and their appearance at a meeting shall constitute a waiver of notice.

**Section 8. Quorum.** A majority of the Board of Directors shall constitute a quorum at any Meeting of the Board.

**Section 9. Reimbursement and Compensation.** The Cooperative may reimburse Directors for all reasonable expenses incurred in carrying out the Director's duties and

responsibilities. The compensation, if any, of the Directors shall be determined by the Members at any Annual or Special Meeting.

**Section 10. Removal of Directors.** If a Director fails to meet the qualifications as described in Section 1 of this Article, or fails to attend two (2) consecutive Board Meetings, either Regular or Special, without just cause, provided that notice of such meetings has been given in accordance with these bylaws, then the Board shall remove the Director and fill the vacancy in accordance with Section 4 of this Article.

Any member may ask for the removal of a Director by filing charges with the Secretary or President and providing a petition signed by at least five percent (10%) of the Members requesting the removal of the Director in question. The removal shall be voted upon at the next Meeting of the Members, and the Director shall be removed by a two-thirds (2/3) vote of the Members. The Director whose removal is requested shall be served with a copy of the charges no less than ten (10) days prior to the Meeting and shall have an opportunity at the Meeting to be heard in person and by counsel and to present evidence; and the persons requesting the removal of a director shall have the same opportunity. Any vacancy resulting from such action shall be filled by nomination and vote of Members at the same meeting.

**Section 11. Removal of Officers.** Any member may bring charges of misconduct or incompetency against an Officer by filing them with the Secretary or President, together with a petition signed by five (5) percent (5%) of the Members requesting the removal of the Officer in question. The Directors shall vote upon the removal of the Officer at the first Meeting of the Board held after becoming aware of the charges, and the Officer may be removed by a majority vote (51%), notwithstanding any contract the officer may have with the Cooperation, which shall terminate upon the Officer's removal. The Officer against whom the charges are made shall be served with a copy of the charges at least ten (10) days prior to the Meeting and shall have an opportunity at the Meeting to be heard in person and by counsel, and to present evidence, and the persons making the charges shall have the same opportunity.

#### **ARTICLE IV. DUTIES OF DIRECTORS**

**Section 1. Management of the Cooperative.** The Board of Directors shall have general supervision and control of the Cooperative and the affairs of the Cooperative and shall make all rules and regulations not inconsistent with applicable law, the Articles of Incorporation, or Bylaws for the management of the business and the guidance of the Members, Officers, employees, and agents of the Cooperation.

**Section 2. Staff.** The Board of Directors shall have power to employ, define duties, fix compensation, and dismiss an employee with or without cause at any time. The board shall authorize the employment of such other employees, agents, and counsel as it from time to time deems necessary or advisable in the interest of the Cooperative.

**Section 3. Committees.** The Board may, by a majority vote of the Directors, appoint from its own Membership an Executive Committee of three (3) members, and determine their tenure of office and their powers and duties. The Board may delegate to the Executive Committee all or any stated portion of the functions and powers of the Board, with the exception of those authorities prohibited by RCW 24.06.145, subject to the general direction, approval, and control of the Board. Copies of the minutes of any meeting of the Executive Committee shall be mailed or e-mailed to all Directors within seven (7) days following such meeting. The Board of Directors may, at its discretion, appoint such other committees as it deems appropriate.

**Section 4. Bonds and Insurance.** Any individual acting as an employee of the Cooperative and handling funds or securities amounting to five thousand (\$5,000.00) Dollars or more, in any one year, shall be covered by an adequate bond as determined by the Directors and at the expense of the Cooperation. The Board of Directors may require that all other Officers, agents, and employees charged by the Cooperation with responsibility for the custody of any of its funds or negotiable instruments be covered by adequate bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company and approved by the Board of Directors, and the cost thereof shall be paid by the Cooperation.

The Board of Directors shall provide for the adequate insurance of the property of the Cooperation, or property which may be in the possession of the Cooperation, and not otherwise adequately insured, and, in addition, adequate insurance covering liability for accidents to all employees and the public.

**Section 5. Depository.** The Board of Directors shall select one or more banks to act as depositories of the funds of the Cooperative and determine the manner of receiving, depositing, and disbursing the funds of the Cooperative and the form of checks and the person or persons by whom the checks shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

## ARTICLE V. DUTIES OF OFFICERS

**Section 1. Duties of President.** The President shall (1) preside over all Meetings of the Cooperative and of the Board of Directors; (2) call Special Meetings of the Board of Directors; (3) appoint such committees as the Board of Directors may deem advisable for the proper conduct of the Cooperative; and (4) perform all acts and duties usually performed by a presiding officer.

**Section 2. Duties of Vice President.** In the absence or disability of the President, the Vice President shall perform the duties of the President, provided, however, that in case of death, resignation, or disability of the President, the Board of Directors may declare the office vacant and elect any eligible person President. A Vice President may also perform any function conferred by the Board of Directors so long as it is consistent with

the Articles of Incorporation and Bylaws. In the absence of a Vice President the Secretary shall perform the duties of the President.

**Section 3. Duties of Secretary.** The Secretary shall keep correct and complete books and records of the Cooperation and minutes of all Meetings of the Cooperation and of the Board of Directors. The Secretary shall sign papers pertaining to the Cooperation as authorized or directed by the Board of Directors. The Secretary shall serve all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to the office to the Members at the Annual Meeting. There shall be no corporate seal, and certification by signature of the Secretary shall be sufficient in lieu thereof. The Secretary shall 1) keep all books of blank membership certificates; 2) complete and countersign all Membership certificates issued; 3) keep complete membership certificate and ownership records; 4) make all reports required by law; and 5) perform such other duties as may be required by the Cooperation or the Board of Directors. Upon the election of a successor, the Secretary shall turn over all books and other property belonging to the Cooperation. In case of a three (3) member Board of Directors, the Secretary shall assume the responsibilities of the Treasurer.

**Section 4. Duties of Treasurer.** The Treasurer shall be responsible for the keeping and disbursing of all monies of the Cooperation and shall keep accurate books of accounts of all transactions of the Cooperation. The Treasurer shall perform such duties with respect to the finances of the Cooperation as may be prescribed by the Board of Directors. Upon the election of a successor, the Treasurer shall promptly turn over to the successor all monies, property, books, records, and documents pertaining to the office or belonging to the Cooperation.

## **ARTICLE VI. CONFLICT OF INTEREST**

**Section 1. Definitions and Examples.** As used in these Bylaws, the term “actual or potential personal or financial interest” means any existing or possible interest which the person now has or may have regarding any business of the Cooperation.

**Section 2. Duty to Disclose.** A Member or Director who has any actual or potential personal or financial interest in any matter involving the Cooperation has a duty to disclose the actual or potential interest to the Board of Directors, who shall disseminate such information to the Members as necessary.

**Section 3. Abstention from Voting.** Except for matters that benefit all Members, no Member or Director may vote on any matter in which the Member or Director has a personal or financial interest and shall not attempt to influence any other Member or Director in voting on such issue; for example, where the Director has a financial interest in a contract the Directors are contemplating or where a Director is seeking Board approval of a permit to do work on the Director’s home or lot.

**Section 4. Abstention from Decisions Making.** No Member or Director may participate in decision making that does not require a vote regarding any matter in which the Member or Director has a personal or financial interest and shall not attempt to influence any other Member or Director in deciding such issue.

**Section 5. Violations.** If a Member or Director fails to disclose a conflict of interest and/or violates any provision of Article IV, the Directors shall determine whether the outcome would have been different. If so, the Directors shall take appropriate action immediately to remedy the situation, which may include cancelling contracts or scheduling a new vote. The Directors shall fully disclose in Minutes or a Consent the actions taken to remedy the violation of this Section.

## **ARTICLE VII. RECORDS AND DOCUMENTATION**

The fiscal year of the Cooperative shall commence on the first day of January and end on the last day of December.

The Cooperative shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

## **ARTICLE VIII. DISSOLUTION AND PROPERTY INTEREST OF MEMBERS**

At any Meeting, whether a quorum is present, the Cooperative may dissolve with:

1. proper notice that a resolution for dissolution will be considered and acted upon has been included in the Notice of Meeting: and
2. a three- fourths ( $\frac{3}{4}$ ) Membership vote in person, by mail or electronic transmission of those who are eligible to vote.

Upon dissolution, obligations and liabilities of the Cooperative shall be paid, satisfied and discharged. Any of the remaining property and assets of the Cooperative shall be distributed for other charitable, tax-exempt purposes of cooperative development or otherwise distributed in accordance with the provisions of the Articles of Incorporation.

## **ARTICLE IX. INDEMNIFICATION**

The Cooperation shall indemnify its Officers, Directors and employees to the fullest extent possible under the provisions of Washington State law. The Cooperation may purchase liability insurance coverage for any person serving as an Officer, Director, employee or agent to the extent permitted by applicable State law.



**ARTICLE X. DISPUTES**

If a dispute arises between a Member and the Board of Directors relating to these Bylaws, or the Articles of Incorporation, and the parties are unable to resolve the dispute, the Board of Directors may refer the parties to mediation with a mutually agreed mediator prior to either party taking legal action.

**ARTICLE XI. ENFORCEMENT**

The Cooperation may take legal action on behalf of the Cooperation necessary to clarify the rights and obligations contained in, or to enforce, the Bylaws, as the same may be amended from time to time. If litigation is necessary for any reason, the prevailing party shall be entitled to reasonable legal fees and costs. If legal fees and costs are assessed against the Cooperation, the Board of Directors shall pay the legal fees and costs from Cooperation funds and may impose a special assessment if there are insufficient funds to pay the amounts owed.

**ARTICLE X. AMENDMENT**

These Bylaws may be altered or amended at any Regular or Special Meetings of the Members at which there is a quorum present by the affirmative vote of a majority of the Members present and the notice of Meeting provided the character of the amendment proposed.

THE FOREGOING BYLAWS WERE APPROVED BY A MAJORITY OF THE INCORPORATING DIRECTORS ON OCTOBER 19, 2022.

**Attest:**

\_\_\_\_\_  
Founding President

\_\_\_\_\_  
Founding Secretary