



Orca Books Cooperative

Bylaws

Section 1. Articles of InCooperative

The Bylaws of the Orca Books Cooperative shall be consistent with the Articles of InCooperative filed with the State of Washington under RCW 23.86, except as provided herein.

Section 2. Members

a. Member Classifications.

There shall be three classes of membership in the Cooperative. The classification and definition of each Member class may be amended from time to time by the Board of Directors.

(1) Consumer Member. This membership class consists of natural persons 18 years or older who have either paid a membership fee or are current with a Board-approved payment plan.

(2) Worker Member. This membership class shall consist of natural persons 18 years or older who have either paid their membership fee or are current with a board approved payment plan and are currently employed by the Cooperative.

(3) Organization Member. This membership class consists of profit and nonprofit Cooperatives, cooperatives, and community organizations that have paid a membership fee and have designated a person to act as the organization's agent with the Cooperative.

b. Membership Fee.

The initial Membership Fee for each membership classification shall be established by the Articles of Incorporation. The Consumer classification and the Low Income classification shall be merged into one Consumer classification with sliding scale fees for consumers as determined by the Board of Directors.



c. Member Meetings.

(1) Annual Meeting. The Annual Meeting of the Members shall be held in March each year at such times and such places as the Board of Directors shall determine. The Directors may change the month in which the Annual Meeting is held by affirmative vote of Directors provided that an Annual Meeting must be held each year. The Directors shall post the Agenda for the Annual Meeting on the Cooperative's website at least one (1) month in advance of the Annual Meeting. The Agenda shall include election of a Board of Directors.

(2) Special Meetings. The President, The Managing Committee, a majority of the Board of Directors may request a Special Meeting of the Members if an urgent resolution or decision needs to be made that cannot wait for the Annual Meeting. Any Member may call a Special Meeting by creating a petition calling for a Special Meeting of the Members and stating the purpose of the Special Meeting that is signed either by five percent (5%) of all Members entitled to vote. Any request or petition for a Special Meeting shall be directed to the President, who shall schedule the Meeting **within** ten (10) days of the receipt of the request or petition.

(3) Notice of Member Meetings. Notice of all Member Meetings shall be given to all Members at least fourteen (14) days prior to the date of the Meeting. Such notice shall be mailed by first-class mail, postage prepaid, or by email to the mailing or email address of record for each Member. Notice of Member Meetings shall also be posted on the Cooperative's website.

(4) Quorum. At any Annual or Special Meeting of the Members, a quorum of the Members shall be two percent (2%) of the total voting Members.

(5) Voting. Members may vote in person, which may be by conference call, videoconference, or other electronic means whereby all Members can hear one another and participate in the Meeting, or by mail in or electronic ballot. Ballots shall be submitted to the Cooperative Secretary at least two (2) days prior to the scheduled Meeting. Every decision of the Members shall require a simple majority vote of the Members present.

Section 3: Directors.

a. Purpose and Composition.

The Board of Directors shall have general authority over the business affairs of the Cooperative and shall make all necessary rules and regulations not inconsistent with



law, the Articles of Incorporation, these By-Laws, and any Collective Bargaining Agreement currently in force. The Board shall consist of at least five (5) persons and the size of the Board may be increased by the Board of Directors at any Annual Meeting or at any Special Meeting of the Directors called for that purpose. The Members may increase or decrease the number of Directors at any Annual Meeting or at any Special Meeting of the Members called for that purpose. The Board Directors must consist of at least one (1) Member from the Consumer classification and one two (2) Members from the Worker classification.

b. Qualifications.

Each Director must be an individual who is a Member of the Cooperative.

c. Term.

Each Director shall serve for two (2) years or until resignation, removal, or election of a successor in accordance with these Bylaws.

d. Election of Directors.

The Directors shall be elected by the Members at the Annual Meeting of the Members or at any Special Meeting of the Members called for that purpose. The election of Directors shall be conducted by means of a secret ballot or proxy ballot bearing the voter's name and signature. All ballots shall remain private except that two persons shall be designated from among the Members to tabulate and verify the ballots. Where the number of Director positions to be filled is equal to the number of Directors running for the position of Director, the election of Directors need not be made by secret ballot as determined by the Election Committee.

e. Annual Meeting.

The Annual Meeting of the Directors shall be held within one (1) month after the Annual Meeting of the Members at such time and place as the Directors shall agree.

f. Special Meetings.

Special Meetings of the Board of Directors may be requested by any Officer, by a majority of said Board, or by a vote of the Staff Collective. Any request for a Special Meeting shall state the purpose of the Meeting and shall be directed to the President, who shall schedule the Meeting with five (5) days of the receipt of the request unless a sooner time is requested.



g. Regular Board Meetings.

The schedule and location of Regular Board Meetings shall be determined **by** the Directors.

h. Notice of Director Meetings.

Notice of the Annual Meeting or any Special Meeting of the Board shall be provided to each Director by telephone, email, or first-class mail at least three (3) days prior to the Meeting. The Directors may waive the notice requirement in writing or by attending the Meeting.

i. Quorum.

At any Annual or Special Meeting of the Directors, a majority of the Directors with at least one Worker member shall be a quorum.

j. Voting.

Directors may vote in person, which may be by conference call, videoconference, or other electronic means whereby all Directors can hear one another and participate in the Meeting. Every decision of the Directors shall require a consensus minus one vote of the Directors present. The Staff Collective then has no more than 21 days to veto any decision that the Directors approve. If they do not, the motion passes.

k. Vacancies.

A vacancy on the Board of Directors may be filled by the remaining Directors or may be filled by the Members at the request of the Directors. A vacancy in the Board shall be filled by an individual in the same Member classification as the vacating Director.

l. Removal.

Any Director who ceases to be a Member of the Cooperative shall be removed automatically and immediately as a Director without notice. Any Director who fails to attend three consecutive regular Board Meetings without being excused by the Board shall be removed automatically and immediately as a Director without notice. Any Director of the Cooperative may be removed at any Annual Meeting or at any Special Meeting called for that purpose.



m. Action in Lieu of Meeting.

The Board of Directors may agree to take action without a meeting provided that all Directors sign a written Consent in Lieu of a Meeting unanimously adopting the action to be taken.

Section 5. Officers

Officers.

The Officers of the Cooperative are President, Vice President, Treasurer, and Secretary, and such other Officers as the Directors shall from time to time designate. One person may hold more than one of these Offices. The Officers shall only act as authorized by the Board of Directors or the Staff Collective. The Officers shall serve for one or more years as designated by the Board of Directors.

a. Duties.

(1) President. The President shall perform the duties assigned by the Directors or the Staff Collective and is authorized to bind the Cooperative on contracts and transactions with approval of the Directors and Staff Collective.

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

(3) Treasurer. The Treasurer shall maintain the financial records of the Cooperative and shall issue an Annual Report to the Members and Directors at the Annual Meeting of each. The Treasurer shall ensure that all tax returns are promptly filed with the state and federal taxing authorities. No Treasurer shall serve for more than two years at a time.

(4) Secretary. The Secretary shall maintain the business records of the Cooperative and shall ensure that the Annual Report is filed with the Washington Secretary of State.



(5) Removal. The Officers serve at the pleasure of the Directors and may be removed, with or without cause, at any meeting of the Directors held in accordance with these Bylaws.

Section 6. Management

a. Staff Collective.

The Staff Collective consists of the Members in the Worker Classification, who may also be referred to as the Worker Members. The day-to-day operations of the Cooperative shall be managed by a Staff Collective in accordance with policies and procedures adopted by the Board of Directors and approved by the Staff Collective. The Staff Collective shall make decisions using a democratic process of its choosing and may assign tasks to the Officers, individuals on staff, or committees to meet the mission of the Cooperative. A staff member must become a Member of the Cooperative upon completion of the staff member's probationary period.

b. Committees.

The Staff Collective shall designate an Elections Committee and such other Committees as the Staff Collective desires and report to the Staff Collective.

Section 7. Books and Records

a. Tax Year.

The Cooperative shall operate on a calendar year for tax purposes.

b. Financial Books.

Books of account of the Cooperative shall be reviewed and reported on at least once each year by an accountant selected by the Board at the Annual Meeting of the Board. The Treasurer shall provide monthly reports of the Books to the President and to each Director by the 15th of the following month.

c. Cooperative Books.

The President shall ensure that the Cooperative maintains books and records at the office of the Cooperative and the same shall be available for inspection by any Member or Director at any reasonable time upon reasonable notice.



Section 8. Indemnification by Law

a. Each Director, Officer, employee or agent of the Cooperative now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities including reasonable settlements to which he or she has or shall become subject by reason of serving or having served in such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as such director, officer, employee or agent; and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his or her own willful misconduct or gross negligence.

b. Any questions as to the above rights and responsibilities shall be finally resolved by Directors not a party to the claim, the shareholders or by an opinion of independent counsel.

c. The Cooperative shall have power to purchase insurance covering such liability and expense, whether or not it could have power to indemnify such director, officer, employee or agent under law, contract or by this By-Law. It is intended reasonable advances may be made on such indemnity, and that the burden of proof of lack of entitlement be on any objector. If any part of these provisions shall be held ineffective, this shall not affect the balance, and in no case shall indemnification be less than provided or permitted to the full extent of the law.

Section 9. Earnings, Reserves, Distributions and Discounts

a. Gross Earnings.

Gross earnings shall consist of all sums received from any source whatsoever, except subscribed capital, amounts held on deposit or in escrow for services or goods to be performed or delivered in the future, and borrowed sums. Gross proceeds shall be received and held by the Cooperative for and as property of its Members.

b. Reserves.

The Staff Collective and Treasurer shall recommend an amount to maintain for reserves, and the Board of Directors shall vote on the final amount.



c. Net Earnings.

The net proceeds of the Cooperative shall be the gross proceeds less the following:

- (1) The actual cost of the operations, distributions and other services procured by Members;
- (2) The actual cost of services performed by Members; and
- (3) Reasonable amounts set aside for reserves as determined by the Board of Directors.

d. Distributions.

The net earnings shall be considered income to the Cooperative and may be credited to allocated or unallocated surplus or reserves of the Cooperative and may be applied to losses incurred in prior years. The Board may, at its discretion, pay out or allocate all or part or none of the net earnings to the Worker Members as patronage on such terms and conditions as the Board of Directors determines in its sole discretion and consistent with RCW 23.86.170.

e. Member Discounts. The Board of Directors may establish discounts for the Consumer Member and/or Organization classifications in its sole discretion.

Section 10. Amendment of Bylaws and Articles

The Bylaws and the Articles of Incorporation may be amended by a vote of the Directors or Members at any Annual Meeting or at any Special Meeting called for that purpose. Both board members and members of the Staff Collective may submit amendments to the bylaws, to be voted on by the Board at these meetings.

These amendments must be approved by the Staff Collective using a democratic process of its choosing lasting a period of not more than 21 days, and then sent out to the Membership for approval before being adopted.