

**Bylaws of the
Weavers Way Cooperative Association
A Non-Profit Cooperative Association Organized Under
The Pennsylvania Cooperative Law of 1988**

Article 1: Organization

- 1.1 **Name.** The name of the organization shall be Weavers Way Cooperative Association (henceforth “the Co-op”).
- 1.2 **Ownership and Purpose.** The Co-op shall be owned by its members and shall operate for the mutual benefit of its members.

Article 2: Membership

- 2.1 **Eligibility.** Membership in the Co-op shall be open to any household that is in accord with Co-op purposes and is willing to accept the responsibilities of membership. “Household” shall mean a group of persons over age 18 residing together as a unit at the same address.
- 2.2 **Nondiscrimination.** Membership shall be open without regard to any characteristic that does not directly pertain to a household’s eligibility.
- 2.3 **Admission.** Any eligible household may be admitted to membership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors (henceforth “the Board”).
- 2.4 **Responsibilities.** Members shall keep current in equity investments due to the Co-op, shall keep the Co-op informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Co-op or the Board. An Active Member is defined as a member who upholds these responsibilities.
- 2.5 **Rights.** The rights of members shall be understood to apply only to Active Members. Members have the right to elect the Co-op’s 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 household shall have one vote and no more on all matters submitted to members. All rights and responsibilities of members are subject to the bylaws as they may be amended from time to time, and to policies and decisions of the Co-op or the Board.
- 2.6 **Termination of Membership.** A member may terminate his or her membership voluntarily at any time by written notice to the Co-op. Involuntary termination of membership for cause will be determined by the General Manager and may be appealed to the Board in writing. Cause may include intentional or repeated violation of any provision of the Co-op’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, or breach of any contract with the Co-op.

- 2.7 **Nontransferability.** Membership rights and member equity may not be transferred in any manner.

Article 3: Member Meetings

- 3.1 **Annual Meeting.** At least one meeting of the membership 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 operations and finances, to review and discuss issues that vitally affect the Co-op, and to transact such other business as may properly come before the meeting.
- 3.2 **Special Meetings.** Special meetings of the membership may be called by decision of the Board and must be called in response to a written petition of 5% 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 a 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 conspicuous places of the Co-op and reasonably communicated to members not less than four (4) weeks prior to the date of the meeting.
- 3.4 **Agenda.** The agenda of member meetings shall be developed by the Board. Any member may request that an item be placed on the agenda of a membership meeting by submitting to the Board a petition of 1% of the Active Members, which shall be delivered to the Board in sufficient time for the issue to be publicized in the notice of the meeting. No business shall be conducted at a meeting except that specified in the notice of meeting.
- 3.5 **Conduct of Meetings.** Member meetings shall be governed by *The Modern Rules of Order*.
- 3.6 **Voting.** Voting shall be accomplished through methods and means established by the Board. Notice of the vote shall be posted conspicuously and reasonably communicated to members no fewer than four (4) weeks prior to the end of the voting period. Unless otherwise stated in the articles of incorporation, these bylaws or required by law, 10% of active members must participate in the vote and all questions shall be decided by a vote of a majority of the members voting thereon. Proxy voting is not allowed.
- 3.7 **Quorum.** At any meeting of the membership, the quorum necessary to conduct business shall be 1% of the Co-op's Active Members.

Article 4: Board of Directors

- 4.1 **Powers and Duties.** The Board shall be composed of nine to eleven Directors, elected from among members of the Co-op. Except for matters for which member voting is required, the Board shall have full power to govern the Co-op, including, but not limited to, hiring, reviewing, and establishing compensation for the General Manager, evaluating its own performance, and assuring that the mission of the Co-op is carried out. Any consideration of compensation for the Board will be decided by member vote.

- 4.2 **Fiduciary Duty.** A Director of the Co-op shall stand in a fiduciary relation to the Co-op and shall perform his or her duties as a Director in a manner he or she reasonably believes to be in the best interest of the Co-op, and with such care, including reasonable inquiry, reliance on competent information, skill and diligence, as a person of ordinary prudence would use under similar circumstances.
- 4.3 **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. No more than two (2) employees of the Co-op may serve on the Board at one time. No Director may serve more than two (2) consecutive terms. At the Board's discretion, the immediate past President's term as a Director may be extended for up to twelve months in order to provide a period of overlap with the succeeding President.
- 4.5 **Vacancies.** Any vacancy among Directors elected by the members may be filled by appointment by the Board or by election at the next membership meeting. A Director so appointed or elected shall complete 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 Co-op or failure to follow Board policies.
- 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 ten (10) days in advance. The time and place of all meetings shall be posted conspicuously and with reasonable advance notice. 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. Directors who are employees of the Co-op shall not be present for discussions or votes on personnel matters, including the General Manager's performance or compensation. The subject of any executive session shall be recorded in the minutes of the meeting.
- 4.8 **Action without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if notice of such action is sent to each Director and the action is affirmed in writing by 2/3 of the Directors. Such actions may be taken through electronic means and will be recorded in the minutes of the next regularly scheduled meeting
- 4.9 **Quorum.** A majority of the current Directors shall constitute a quorum and no decisions will be made without a quorum.
- 4.10 **Conflicts of Interest.** No Director shall participate in any board matter in which they have a conflict of interest. Directors shall be under an obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the board. Directors having such a conflict shall recuse themselves from discussion and decision of the matter.
- 4.11 **Indemnification.** The Co-op shall indemnify and reimburse each Director or employee for any claim or liability (including expenses and attorneys' fees reasonably incurred in connection therewith) to which such person may become subject by reason of

being a Director or employee. Such indemnification shall be made if it is determined by the Board that the Director or employee acted in good faith and with a reasonable belief that his or her action was in the best interests of the Co-op, or as otherwise allowed by law. Expenses, including attorney fees, may be paid in advance of a final disposition if the party agrees in writing to repay the amount if it is determined he or she is not entitled to indemnification.

Article 5 - Officers

- 5.1. Election of Officers.** The Board will elect officers according to the requirements of state law and as necessary for the effective conduct of Board business. The officers of the Board of Directors of the Co-op shall be a President, Vice-President, Secretary and Treasurer. The officers, who must be Directors of the Co-op, shall be elected at the first Board meeting following the election of Directors and serve one (1) year terms. Employees of the Co-op shall not be eligible to be officers of the Board.
- 5.2 President.** The President shall oversee all operations of the Board, preside at all meetings of the Board unless delegated, and shall see that all orders and resolutions of the Board of Directors and of the members are carried into effect. Except as otherwise provided by these Bylaws, Resolution of the Board of Directors, or Statutes, the President shall sign all contractual notes, bonds and other evidences of indebtedness issued by the Co-op, and other official instruments or documents of the Co-op.
- 5.3 Vice-President.** The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the power of the President. In the event of death, resignation or mid-term withdrawal from office by the President, the Vice-President shall complete the unexpired term of the President. The Vice-President will carry out any other duties that the Directors may require.
- 5.4. Secretary.** The Secretary shall record or cause to be recorded the minutes of the membership and Board meetings, and post the minutes within 20 days of approval. The Secretary shall ensure that notice is given of all meetings required by these Bylaws or Statutes, and oversee the official documents.
- 5.5 Treasurer.** The Treasurer shall monitor the financial condition of the Co-op and report to the Board as appropriate. The Treasurer ensures that existing financial, budgeting, auditing, and financial control policies are followed. The Treasurer shall chair the Finance Committee, assist in the preparation of the budget, serve as a liaison between the Board and its auditor, and advise and assist on making financial information available to both co-op members and the Board.

Article 6: Committees

- 6.1 Purpose.** Committees at the Co-op are formed to allow and encourage members to participate in the life and mission of the Co-op.
- 6.2 Creation and Termination.** The Board, Management, or interested members with Board or Management approval, may create or terminate a Committee at any time.

- 6.3 **Operation.** Board and Management will develop clear policies defining the lines of authority, accountability and communication for committees. All committees shall have a clearly articulated mandate or charter, which shall indicate whether the committee reports to the Board or Management.

Article 7: Financial

- 7.1 **Auditing.** The Books of the Co-op shall be audited annually by a certified public accountant who shall be independent of the Co-op.
- 7.2 **Equity Accounts.** Members' equity investments are designated as either **Regular Equity** or **Reserve Equity** at the time they are assigned. Equity investments made by members shall be designated as **Regular Equity**. Amounts assigned to members' equity accounts from a Patronage Dividend (see below) shall be designated by the Board at its discretion as either **Regular Equity** or **Reserve Equity**.
- 7.3 **Return of Equity.** Upon termination of membership in the Co-op, a member's Regular Equity shall be returned within sixty (60) days, unless it would violate loan agreements or other contractual obligations of the Co-op or would jeopardize the solvency of the Co-op. Any unpaid debt owed by the member to the Co-op shall be deducted from the equity amount to be returned. A member's Reserve Equity shall be refunded only upon dissolution of the Co-op as provided for in Article 7, below.
- 7.4 **Unclaimed Property.** If a member voluntarily or involuntarily terminates membership in the Co-op, and fails to inform the Co-op of his or her mailing address, the member's equity shall be forfeited after two years.
- 7.5 **Death of Member.** Upon the death of the last or only person included in a membership, the membership shall immediately terminate. Upon written request, the Co-op shall return the terminated member's Regular Equity to the person designated as "beneficiary" on the Co-op's records. If no such request is made within two years after the death of the last person in the household, the member's equity shall be forfeited.
- 7.6 **Patronage Dividends.**
- a. Allocations to members.** The Co-op shall allocate and distribute to eligible members the net profit from sales to them 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. Patronage dividends shall be based on the Co-op's taxable net income attributable to member sales. Eligible members shall include all Weavers Way members who are Active Members on the date when the Board authorizes the patronage dividend. The Board shall determine when and how such allocations and distributions will be made.

Amended by majority of voting members on May 15, 2016.

b. Consent of members. By obtaining or retaining membership in the Co-op, each member consents to accept any patronage dividend authorized by the Board and 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 further consents to the donation of any unredeemed cash portion of their patronage dividend to the Co-op or to a

charity recognized under Section 501(c)(3) of the Internal Revenue Service Code which the Board shall designate to receive unredeemed funds.

Article 8: Dissolution

A proposal to dissolve the Co-op can be made by the Board or by a petition of 10% of Active Members. The proposal to dissolve the Co-op must be approved by a 2/3 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: a. by paying or making provision for payment of all liabilities and expenses of liquidation; b. by redeeming any equity accounts which, if they cannot be paid in full, shall be paid at an equally reduced rate; and c. by distributing any remaining assets in a way that furthers the Co-op's mission, as determined by the Board.

Article 9: Amendments

These by-laws 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 decision of the Board or by petition of at least 5% of Active Members. The proposed amendment shall be publicized to the membership no fewer than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.

We certify on June 7, 2016 that this document is the complete bylaws adopted by Weavers Way Cooperative Association on May 15, 2016.



Laura Morris Siena, Secretary



Lisa Hogan, Bylaw Committee Chairperson

Last revised: May 31, 2015