

## CONOR BYRNE COOPERATIVE DISCLOSURE STATEMENT AND MEMBER AGREEMENT

Thank you for considering joining Conor Byrne Cooperative, a Washington cooperative association (the **Cooperative**) as a member. By becoming a member, you are choosing to place yourself in a position to more fully engage with and guide the management of the Cooperative as an owner. And, if we are financially successful, we hope that all of us will also have the opportunity to share that success.

The Cooperative is member-owned and member-governed, and thus operates for the benefit of us, the members.

This Disclosure Statement and Member Agreement (**Agreement**), along with our Bylaws and Articles of Incorporation (together, our **Organic Rules**), provide important details regarding the governance and operations of the Cooperative. Our Bylaws in particular represent the foundational governance handbook for our Cooperative, and generally cover three key areas:

- **Membership** – Given the centrality of our members to the Cooperative, Articles Two and Four of our Bylaws provide a detailed discussion of how people enter, engage with, and end their time as members.
- **Financial Matters** – Article Three contains essential financial and tax-related provisions. The intent of the Cooperative is to create an economically just business, and the contents of Article Three are designed to help us achieve that goal.
- **Administration** – Sustained and active member engagement is essential to our success. The remainder of the Bylaws detail important administrative and legal mechanics to help us remain transparent and responsive to our members, while still empowering and protecting them as they participate, manage, and lead.

Please review our Organic Rules carefully before signing this Agreement. By signing below, you are agreeing to become a member, and accept the rights and obligations of becoming a member as detailed here and in our Organic Rules. If there's ever a conflict between something written here and what's contained in our Organic Rules, the Organic Rules control.

This Agreement has two sections: (1) a Disclosure Statement highlighting important terms of membership. You should review the entire Organic Rules for full details of your rights and obligations as a member; and (2) the Membership Agreement, where you will formally agree to become a member.

## DISCLOSURE STATEMENT

The Cooperative wishes to disclose the following things to members:

1. **Legal Organization.** Conor Byrne Cooperative is organized as a Washington cooperative association under Chapter 23.86 of the Revised Code of Washington.
2. **Membership.**
  - a. **Right to Requesting Copy of Organic Rules.** A copy of the Cooperative's Articles of Incorporation and its Bylaws will be furnished without charge to each member upon written request.
  - b. **Membership Requirements.** To become a member of the Cooperative, a person must:
    - be a natural person over 21 years of age;
    - patronize the Cooperative through the provision of their labor (for worker members) or by supporting the Cooperative's mission (for community members);
    - be approved for membership by the Board;
    - pay a membership fee of \$300 to the Cooperative; and
    - if a worker member, have worked for the Cooperative for a period of at least 90 days.
  - c. **Memberships are non-transferrable, but they are redeemable.** Members of the Cooperative may not give, sell, or transfer their memberships to any other person or legal entity. Memberships are personal to each member and they are non-transferrable. Memberships in the Cooperative may be terminated pursuant to the terms of Article Two of the Bylaws. Where a membership is terminated, that former member shall have the payment rights described in Section 3.03 of the Bylaws.
  - d. **Membership Patronage Dividends.** Only worker members are eligible for patronage dividends. Patronage is defined by the Board of the Cooperative.
  - e. **Member's Proprietary Interest.** A member's proprietary interest in the Cooperative, represented by their individual capital account, is equal to the member's unredeemed membership share, plus written notices of allocation, minus distributions, minus allocated losses, plus/minus any other item that affects the balance in the member's individual capital account. See Article Three of the Bylaws.
3. **Financial Disclosures.** The Board will provide the members with a financial report annually.

## MEMBER AGREEMENT

By signing below, and as consideration for becoming a member of the Cooperative, the undersigned agrees as follows:

1. **Manner of Receiving Notice and Documents.** In accordance with Section 12.05 of the Bylaws, I consent to receiving notices and documents from the Cooperative via email, unless I specifically request in writing to receive notices by mail. I understand that I have the option to receive notice at any mailing address provided in writing to the Secretary.
2. **Fee for Membership Share.** I agree to pay \$300 for my membership share to the Cooperative in the following manner (check one):
  - \_\_\_\_\_ in a lump sum upon signing this Agreement
  - \_\_\_\_\_ via a payment plan of \$25/month for 12 months
  - \_\_\_\_\_ via a payment plan of \$10/month for 30 months
3. **Termination of Membership.** I acknowledge that my membership will be terminated automatically upon my death and that additionally, the Board may terminate my membership at any time in accordance with the Board's termination policy.
4. **Payment of Taxes.** Each worker member agrees that for purposes of determining the amount of any distributions made to them by this Cooperative, they shall treat the full amount of any distributions, with respect to their patronage, which are made in qualified written notices of allocation (as defined in 26 U.S.C. § 1388), which they receive, as income received in the year in which such written notices of allocation are received at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a).
5. **Obligation to Update.** I agree and acknowledge that it is my responsibility to provide updated contact information to the Secretary of the Cooperative whenever any of the below contact information changes.
6. **Acknowledgement of Risk.** I acknowledge that I have understood that my entire investment is at risk of loss if the Cooperative is not financially successful. I understand that if the Cooperative cannot achieve its business plan, I may not receive any patronage dividend. I also understand that I may also lose my \$300 membership fee, for example if the Cooperative goes bankrupt.

