

Corner Garage Co-op Bylaws

April 29, 2019

Abstract

These Bylaws govern the operations and affairs of Corner Garage Co-op, a corporation governed by Chapter 22 of the Texas Business Organizations Code. The purposes of Corner Garage Co-op are to operate a successful garage, to advocate for sustainability by keeping old cars on the road and recycling or reusing motor fluids, and to be an advocate for motor sport. Corner Garage Co-op will maintain an excellent workplace for its employees.

Revisions

2019-04-29 — Draft bylaws

1 Preface

The certificate of formation shall be incorporated into these bylaws. In case of any inconsistency between the certificate of formation and these bylaws, the provisions of the certificate of formation take precedence.

Corner Garage Co-op (“the co-op”) subscribes to the “Statement

on Co-operative Identity” adopted by the Congress and General Assembly of the International Co-operative Alliance held in Manchester, England in 1995. The full text of the statement is given below.

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and

democratically-controlled enterprise.

Cooperative values

Cooperatives are based on the values of *self-help, self-responsibility, democracy, equality, equity, and solidarity*. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men

and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agree-

ments with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of co-operation.

Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their

members.

2 Principles

The co-op subscribes to the following additional principles.

2.1 Living Wage

When financially able, the co-op shall pay a living wage to all of its employees.

2.2 Sustainability

To encourage sustainability, the co-op will accept used oil and fluids for reuse or recycling even from non-members or those who have never been a customer. We will strive to reuse as much material as possible, or recycle where reuse is not possible. Disposable products and products with excessive packaging will be avoided where possible.

2.3 Privacy

Privacy of their information and affairs is a universal right shared by all peoples.

Information such as physical and email addresses may be gathered from the membership. We will respect that

right by requiring members to opt-in to any use of their information, and by always making information collection voluntary.

All information on the membership will be the sole property of that member and considered on loan to the co-op. It will be stored in line with software industry best practices, and information will never be shared or sold to third parties unless the co-op is compelled by law to do so.

3 Membership

3.1 Qualifications

Membership is open to all persons over the age of 18, or the age of majority in their home state and all incorporated entities operated on a cooperative or non-profit basis. All applicant members must provide a valid physical or electronic mailing address, and agree to abide by these bylaws and other rules and policies adopted by the Board of Directors (“the board”).

3.2 Cost of Membership

All members must pay a nonrefundable joining fee and make a capital invest-

ment in the co-op. The joining fee and capital investment assessed for membership shall be set by the board and may be adjusted from time to time.

3.3 Initiation

Membership shall commence upon the processing of a completed application form and receipt of the necessary joining fee and minimum investment.

3.4 Types of Members

There shall be two types of members: Individual, and Business. All types of members may be referred to collectively as “member owners”, “members”, or “owners”.

3.4.1 Individual Members

All persons who have paid the joining fee and contributed to their assessed capital investment shall be known as “Individual Members”. All individual members hold the same voting power whether they are fully invested or not. Individual members who have not fully contributed to their assessed capital investment shall receive no other benefits of membership and may not serve on the board.

3.4.2 Business Members

All incorporated entities organized on a co-operative or non-profit basis that have paid the joining fee and contributed a capital investment equal to that assessed of two invested individual members shall be known as “Business Members”. Business members shall hold two votes, one for each capital assessment, and shall name a designated representative to exercise the voting rights of the business member.

Business members shall be issued a single member card showing the name of the business and the designated representative.

3.5 Inactivation

A member may have their membership inactivated under conditions outlined in this document and once inactivated are not entitled to any benefits of membership.

3.5.1 Address Inactivation

All members without a valid mailing address (physical and electronic) and having no other activity with the co-op for a period of 2 years from the date of

address invalidity shall be considered inactive.

3.5.2 Joining Member Inactivation

Members who have not fully paid their capital investment and who have not made a contributing payment towards their assessed capital within the past year shall be considered inactive.

3.6 Reactivation

Inactive members may have their membership reactivated upon filing a valid address or making a payment on their assessed capital investment.

3.7 Termination

Members may terminate their membership at any time by providing a written statement of resignation and an address to which the co-op may send confirmation of their resignation. Members who withdraw from the co-op shall not be refunded the value of their investment.

Any member whose activity endangers effective operation of the co-op for the mutual benefit of its members may be recommended for expulsion from

the co-op by the board. After written notice to the member of the reasons for the recommendation and reasonable opportunity for a hearing before the board, the board may, in its discretion, terminate the membership. The member may appeal the board's decision at a membership meeting, the board's decision and announcement of the appeal having been included in the notice of such a meeting. The decision of a majority of the members voting at such a meeting will be binding upon the expelled member and upon the co-op. The membership capital of an expelled member will be redeemed for the amount paid by such member offset by any debt owed to the co-op by the withdrawing or expelled member.

Any additional conditions or terms established by the board for the refund of membership capital shall apply to all members equitably.

3.8 Transferability

Membership may be transferred only with the prior consent of the board.

4 Members' Assembly

The Members' Assembly ("the assembly") comprises all members of the co-op.

4.1 Powers & Duties

The assembly is the voice of the membership and holds the following powers, as well as any other powers granted to the membership by Texas law: (a) Election and removal of directors, (b) Passage of advisory resolutions for consideration by the board, and (c) Approval of Ends Policies for the co-op.

4.2 Meetings

The assembly shall gather at least twice per fiscal year and at least once per calendar year, and one of those meetings must address the annual financial review.

The board is responsible for calling, organizing, and presiding over meetings of the assembly. The membership shall receive notification of meetings of the assembly at least 30 days and not more than 60 days before the meeting date.

4.2.1 Special Meetings

Special meetings may be called by a majority vote of the board or by presenting the board with a written petition signed by at least $\frac{1}{10}$ of the membership.

4.2.2 Quorum

A quorum shall consist of at least 50 total members (or 25% of membership, whichever is lower) and must include no fewer than 5 directors. Members submitting votes mail or electronically may count towards the quorum for the issues on which they have cast a ballot.

4.2.3 Voting

The standard for a successful vote shall be a simple majority unless otherwise specified in these bylaws. A vote meeting this threshold will be considered binding unless a referendum is called.

4.2.4 Referenda

A referendum may be called by a majority of the board, a petition of at least 25 members, or a dissenting minority of $\frac{1}{3}$ of the present membership during a meeting vote. Referenda may be conducted at the meeting, by postal

mail, or on the co-op's website, and are required for the election of the board. Referenda must be open at least 7 days but shall continue until 100 members (or 10% of the membership, whichever is less) have cast a ballot.

5 Board of Directors

The Board of Directors ("the board") shall consist of 5 Directors elected by the membership to handle the governance and oversee management of the co-op.

5.1 Powers & Duties

The board is responsible for setting policy, issuing investor shares, leading meetings of the Members' Assembly, and ensuring that actions taken by the co-op are both lawful and consistent with the values of the co-op and these bylaws.

5.2 Eligibility

Directors must be Invested Members in good standing, and not otherwise excluded from service on the board.

5.3 Nominations

The board shall find and cultivate competent candidates to fill open positions on the board. All candidates that wish to stand for board positions must fill out an application, disclose any possible conflicts of interest, and comply with any other lawful requirements set out by the board.

5.4 Terms

Directors shall serve three-year terms, and elections shall be held on a staggered basis such that no more than two seats are up for election annually. Directors chosen by the board to fill a vacancy (see section 5.7) do not count towards this two seat limit.

5.5 Election

Board elections shall be held by a referendum (see section 4.2.4) of the members. Election referenda shall remain open for at least 30 days.

5.6 Removal

A director may be removed with or without cause by a vote of at least $\frac{2}{3}$ of the board and a simple majority in a

referenda. A director may voluntarily step down at any time.

5.7 Vacancies

Should a vacancy arise the board shall choose an individual to fill the vacancy until the next election cycle.

5.8 Offices

The offices of the board shall consist of President, Secretary, and Treasurer.

The president is the chairperson of the board and is responsible for calling meetings, preparing the agenda, and facilitating meetings. The secretary is responsible for documenting meetings of the board. The treasurer is responsible for board budget and financial oversight, and is the vice president of the board.

5.9 Meetings

The board shall meet on a regular basis and may be called by the president (subject to being seconded by another board member) or at the request of any three Directors.

5.9.1 Notice

The membership shall be notified of board meetings at least two weeks prior to the meeting date. The proposed agenda of the meeting shall be made available to the members at least 7 days prior to the meeting date. The minutes from the meeting date shall be made available no later than 7 days after the meeting.

5.9.2 Quorum

At least $\frac{2}{3}$ of current Directors must participate in a board meeting for a quorum to exist. A director may be considered present by electronic means that allow their full participation such as by phone, instant messaging, or video chat.

If a director removes themselves from discussion or is removed due to a conflict of interest and a quorum can no longer be established, then a quorum shall still be met by as few as two non-interested directors. Directors abstaining for reasons other than having an interest in the current business still count towards quorum.

If a quorum cannot be established, a sub-quorum totalling 50% or more

of quorum may be established to discuss and transact business. Any decisions made by the sub-quorum are non-binding until ratified by a meeting of the board with a full quorum.

5.9.3 Closed Meetings

All meetings of the board shall be open to the membership except those pertaining to personnel, litigation, real estate, or other matters deemed sensitive by the board.

5.9.4 Compensation

Compensation of board members may be set by a vote of the membership and shall be equal to no more than that of the lowest paid employee of the co-op.

6 Severability

If any section, clause, provision, or portion of these bylaws is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of these bylaws shall not be affected thereby.

7 Adoption & Amendment

These bylaws and the certificate of formation may be amended at any time. Amendments may be proposed by the board of directors, a majority of the assembly, or by a petition of 25 members. Ratification of an amendment requires a $\frac{2}{3}$ majority of members present at a meeting of the assembly.

8 Sunset

These bylaws must be reviewed and re-approved by the members every 5 years from the date of adoption or approval.

9 Provision Control

To the extent that section 1 (“Preface”) and section 2 (“Principles”) conflict with the provisions outlined in the rest of these bylaws, the bylaw provisions shall control.

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