



Membership Disclosure Document for Coastal Organics Cooperative, Inc.

1. Cooperative Status

Coastal Organics Cooperative, Inc. is a cooperative corporation organized under the Consumer Cooperative Corporation Law of California.

2. Copy of Articles and Bylaws

A copy of the Corporation's Articles of Incorporation and its Bylaws will be furnished without charge to each member upon written request. Requests should be sent to 185 Main Street, P.O. Box 801, Point Arena, CA 95468, the Corporation's office address.

3. Assignment or Transfer

No share or membership of this Corporation may be assigned or transferred. Any attempted assignment or transfer shall be wholly void and shall confer no rights on the intended assignee or transferee. (See Bylaw Sections 1.05 and 2.04.)

4. Membership Fee

A one-time nonrefundable membership fee, in an amount set from time to time by the Board of Directors, may be charged to and collected from each member upon joining the Corporation. (See Bylaw Section 1.06.)

5. Partial Withdrawal of Shares

A member having a monetary amount in his or her share account in excess of a monetary amount to be determined from time to time by the Board of Directors may cause the Corporation to purchase his or her excess share amount upon written request to the Board. Subject to Section 2.06 of these Bylaws, the Board must, within one (1) year of such request, pay the amount the member requests in cash or other property or both. The exact form of payment is within the discretion of the Board (Bylaw Section 2.05).

6. Termination of Membership

Sections 3.01 through 3.04 of the Bylaws of the Corporation provide as follows:

Section 3.01. Voluntary Withdrawal

A member shall have the right to resign from the Corporation and terminate his or her membership by filing with the Secretary of the Corporation a written notice of resignation.

The resignation shall become effective immediately without any action on the part of the Corporation.

Section 3.02. Death or Dissolution

A membership shall immediately terminate upon the death of a member or the dissolution of a member that is an organization.

Section 3.03. Expulsion

- (a) A member may, for failure to comply with the Bylaws, rules, or regulations of the Corporation, for failure to patronize the Corporation during the immediately preceding fiscal year of the Corporation in the amount of at least one hundred dollars (\$100.00), or for any other justifiable reason, be expelled from the Corporation by resolution adopted by a two-thirds (2/3) vote of all the members of the Board of Directors. Expulsion shall become effective immediately unless the Board shall, in the resolution, fix another time. On expulsion, the name of the member expelled shall be stricken from the membership register and all of his or her rights shall cease except as provided in Section 3.04 of these Bylaws.
- (b) Prior to expulsion of a member, the Board of Directors shall give such member at least fifteen (15) days' notice prior thereto and the reasons therefor. Such member shall have the opportunity to be heard, orally or in writing, not less than five (5) days before the effective date of expulsion by the Board.
- (c) The notice required pursuant to Subsection (h) of this section of these Bylaws may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last known address of the member shown on the Corporation's records.

Section 3.04. Settlement of Share Interest

If a membership is terminated for any reason set forth in this Article of the Bylaws, the share interest held by the member shall be purchased by the Corporation, subject to Section 2.06 of these Bylaws within one (1) year of the date of termination to the extent of the paid-up value of the member's shares on such date. The Board of Directors, in so settling the member's share interest, shall have the right to set off any and all indebtedness of the member to the Corporation. The paid-up value of the member's share interest is the monetary amount of such interest (including fractional shares) that the member has been issued in accordance with Section 2.01 of these Bylaws.

7. Member's Proprietary Interest

A member's proprietary interest in the Corporation is equal to the unredeemed (1) total of money received by the Corporation in exchange for all shares purchased by such member, and (2) the monetary amount of any shares allocated to a member by the Corporation. (See Article 4 of the Articles of Incorporation and Bylaw Sections 2.01, 2.02, 2.05, 3.04, and 9.03.) A member or former member's proprietary interest does not include amounts transferred to the Corporation pursuant to Section 2.07 of the Bylaws (related to "unclaimed" equity interests).