

7 cooperative principles



The Astoria Cooperative will be operated in accordance with the following seven cooperative principles adopted by the International Cooperative Alliances:

1. Voluntary and open ownership without arbitrary discrimination.
2. Democratic governance by owners with equal voting rights among owners and opportunity for participation in setting policies and making decisions.
3. Economic participation by owners with owners equitably contributing to and democratically controlling the capital of the Co-op, and with earnings being equitably applied to the benefit of owners in proportion to their patronage of the Co-op, to the development needs of the Co-op, and to the provision and extension of common services.
4. Autonomy and independence of the Co-op as a self-help organization controlled by its owners being strictly maintained.
5. Educating and training owners, directors, managers and employees so they can contribute effectively to the development of the Co-op, and informing the general public about the nature and benefits of cooperation.
6. Strengthening the cooperative movement by working with other cooperative organizations at all levels.
7. Working for sustainable development of the Co-op's Community.

WHEN YOU BUY A SHARE IN THE ASTORIA COOPERATIVE.....

1. You support a local community owned business.
2. You support local and organic farmers and producers.
3. You ensure that a healthy natural foods downtown shopping option continues to exist here. Your share contributes to the Co-op's financial stability and longevity.
4. You support the mission of the Astoria Co-op.
5. You have a vote in deciding the future of the Co-op (expansion, product selection, etc.)... you can choose to run for the Board of Directors.
6. You get a discount or rebate on your purchases along with the opportunity to volunteer for the possibility of greater discounts or compensation.
7. You get a quarterly newsletter with a list of sales items, great recipes and general news to keep you educated and informed about all things regarding the Co-op and your health.
8. You own a redeemable share...The ability to redeem shares in accordance with Co-op Bylaws which are posted and available to you in the store.
9. You help the Co-op expand to offer you a larger variety of healthy products and services (along with educational classes, seminars, and events) to better meet your needs as well as those of our growing community, and ensuring that the products you already buy are always on the shelves.
10. You keep the rare, unique, special, eclectic, one-of-a-kind, alive and well here in the Lower Columbia Region, which enhances the character and diversity in our community.

Our Mission

To serve the Lower Columbia River community by providing fairly priced, wholesome foods and other goods in an ecologically sustainable, socially responsible, and economically appropriate manner.

1355 EXCHANGE ST SUITE 1, ASTORIA OREGON 97103 TEL. (503) 325-0027



OWNER APPLICATION & SUBSCRIPTION AGREEMENT

Instructions:

It's easy to become an owner of the Astoria Co-op! Fill out the application and agreement on the backside of this page. Bring the application with your payment to the front counter at the Co-op, or mail to our address below. We will mail to you a confirmation of share payment, ownership card(s), and (if requested) a copy of the Co-op's bylaws. Individuals and household groups are eligible to purchase a share, but one person must be listed as the principal owner.

Subscription Agreement:

For the purpose of acquiring ownership status in Astoria Co-op and thereby facilitating access to the consumer goods provided by the Cooperative, I hereby subscribe to purchase one share of common stock by paying the subscription price of \$200 per share either in full upon execution of this agreement, or in installments of not less than \$25 and each payment period not to exceed one year in duration. I agree to accept the responsibilities of ownership as set forth in the Bylaws of the Co-op. I understand that the share to be hereby acquired is nontransferable except to the Co-op, that its redemption rights are restricted in accordance with the Bylaws of the Co-op, and that failure to make payments hereby agreed may result in suspension of participation rights in the Co-op and forfeiture of share purchase payments made.

OWNER BENEFITS INCLUDE:

- A vote in all Co-op elections to help direct the Co-op's future. ¹
- Receipt of the Co-op's quarterly newsletter containing a list of sales items, great recipes, and general news to help keep you educated and informed about all things regarding the Co-op and your health.
- Discounts on special orders. ²
- The opportunity to volunteer at the Co-op as a Worker-Owner. ²
- Future patronage refunds. ³
- Increased equity for the Co-op, which will further enable the store to deliver the goods and services you want.
- The ability to redeem shares in accordance with section 7.4 of the Co-op's bylaws.

¹ Owners receive full voting rights upon paying the initial minimum payment, and rights will be maintained as long as share payments are kept current.

² Discount levels on purchases determined by the Board of Directors.

³ Will go into effect once the Co-op has an electronic system to track owner patronage.

FINE PRINT:

Patronage Refund Consent Provision, Bylaws Section 8.3:

By obtaining or retaining ownership in the Co-op, each owner shall thereby consent to take into account in the manner and to the extent required by Section 1385 on the Internal Revenue Code, the stated dollar amount of any qualified written notice of allocation in the taxable year in which such notice is received.

Explanation of Patronage Dividend Consent Provision:

The Internal Revenue Code generally requires each person receiving a patronage dividend to include the amount distribution in his or her gross income in the taxable year in which it is received. Under bylaw section 8.3, were acceptance or retention of ownership in the Co-op constitutes consent to such inclusion in taxable income, including the portion of the patronage dividend that is retained by the Co-op for its capital needs.

The Co-op has been advised by legal counsel, however, that the general rule for inclusion on income of patronage dividend is subject to an exception that is applicable to consumer cooperatives. Under that exception, a patronage dividend is not required to be included in gross income if the owner's purchases from the Co-op are related to "personal, living or family items". The patronage dividend would be taxable to an owner only if his or her purchases related to the operation of a trade or business or other income-producing activities.

APPLICANT INFORMATION: (please print legibly)

Applicant's Name: _____
Last Name First Name Middle Initial

Name of **one** other person in household whom you would like to include:

_____ Last Name First Name Middle Initial

Mailing address: _____

City: _____ State: _____ Zip: _____

Contact Phone: (____) _____ E-Mail address (optional): _____
(will not be traded or sold)

- | | | |
|--|------------------------------|-----------------------------|
| Would you like to receive a copy of the Co-op's free quarterly newsletter? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Would you like to receive the Co-op's news-updates via e-mail? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Would you like a copy of the Bylaws of the Co-op sent to your mailing address?
(also available at the front desk of the Co-op or online at www.astoriacoop.org) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

PURCHASE OPTIONS:

- \$200 Share purchase requirement paid in full
- Installment payments until share purchase requirement is paid in full:
Choose payment amount: \$100 \$50 \$25
Choose payment period: quarterly semi-annually annually
- Plus optional: I wish to contribute further capital funds, not to exceed \$100, for credit to my share purchase account. (Additional share purchase beyond \$200 share requirement does not entitle share holder to additional voting rights).

Total Amount Enclosed (not to exceed \$300) \$ _____

SIGNATURE:

Applicant's Signature: _____ Date: _____

FOR ADMINISTRATIVE USE ONLY:

Amount paid \$ _____ Cash Check # _____ Credit Card

Date of Payment: _____ Payment received by: _____

Owner #: _____ Recorded by: _____

of cards to mail: _____ Mail copy of Bylaws?: Yes No Date Recorded: _____