

RCW 23.100.0901 Member's dissociation. (1) A person has the power to dissociate as a member at any time, rightfully or wrongfully, by express will.

(2) Unless the organic rules otherwise provide, a member's dissociation from a limited cooperative association is wrongful only if:

(a) It is in breach of an express provision of the organic rules; or

(b) It occurs before the termination of the limited cooperative association and:

(i) The person is expelled as a member under subsection (4)(c) or (d) of this section; or

(ii) In the case of a person that is not an individual, trust other than a business trust, or estate, the person is expelled or otherwise dissociated as a member because it dissolved or terminated in bad faith.

(3) Unless the organic rules otherwise provide, a person that wrongfully dissociates as a member is liable to the limited cooperative association and to the other members for damages caused by the dissociation. The liability is in addition to any other debt, obligation, or liability of the person to the association.

(4) A member is dissociated as a member when:

(a) The limited cooperative association receives notice in a record of the member's express will to dissociate as a member, or if the member specifies in the notice an effective date later than the date the association received notice, on that later date;

(b) An event stated in the organic rules as causing the person's dissociation occurs;

(c) The person's entire interest is transferred in a foreclosure sale;

(d) The person is expelled as a member under the organic rules;

(e) The person is expelled as a member by the board of directors if:

(i) It is unlawful to carry on the limited cooperative association's activities and affairs with the person as a member;

(ii) There has been a transfer of all the member's financial rights in the association, other than:

(A) A transfer for security purposes; or

(B) A charging order which has not been foreclosed;

(iii) The person is an unincorporated entity that has been dissolved and its activities and affairs are being wound up;

(iv) The person is a corporation or cooperative and:

(A) The person filed a certificate of dissolution or the equivalent, or the jurisdiction of formation revoked the person's charter or right to conduct business;

(B) The association sends a notice to the person that it will be expelled as a member for a reason described in (e)(iv)(A) of this subsection (4); and

(C) Not later than ninety days after the notice was sent under (e)(iv)(B) of this subsection (4), the person did not revoke its certificate of dissolution or the equivalent, or the jurisdiction of formation did not reinstate the person's charter or right to conduct business; or

(v) The member is an individual and is adjudged incompetent;

(f) In the case of an individual, the individual dies;

(g) In the case of a member that is a testamentary or inter vivos trust or is acting as a member by virtue of being a trustee of a

trust, the trust's entire financial rights in the limited cooperative association are distributed;

(h) In the case of a person that is an estate or is acting as a member by virtue of being a personal representative of an estate, the estate's entire financial interest in the association is distributed;

(i) In the case of a person that is not an individual, partnership, limited liability company, cooperative, corporation, trust, or estate, the existence of the person terminates; or

(j) The association's participation in a merger under RCW 23.100.1308 through 23.100.1313 that causes the person to cease to be a member. [2019 c 37 s 901.]