DISCUSSION DRAFT · SEPTEMBER 2026

Bylaws of Heal EastWest Cooperative

A skeleton to frame member discussion. Every provision is a placeholder to be drafted, adjusted, and finalized by cooperative counsel.

DRAFT FOR DISCUSSION — TO BE COMPLETED AND FINALIZED BY COUNSEL — NOT FINAL, NOT LEGAL ADVICE

Article I · Name & Purpose

The cooperative shall be known as Heal EastWest Cooperative (the "Co-op"), organized to provide shared premises and clinic services to its practitioner members at cost, and to return any surplus of those charges to the members on a patronage basis. The Co-op does not bill patients and does not render professional services. *[Entity form to be confirmed by counsel. Working model: a California cooperative corporation.]*

Article II · Professional Practice

- Each member bills and collects for professional services through their own practice, as they do today.
- Patient relationships, clinical records, and receivables stay with the member's practice.
- The Co-op invoices members for shared costs. It does not take a percentage of billings and it does not pay members a wage.
- *[Member services agreement TBD by counsel.]*

Article III · Membership

- Eligibility: licensed practitioners actively practicing at the clinic. *[criteria TBD]*
- Admission: by vote of existing members. *[threshold TBD]*
- One membership per practitioner; membership is not transferable. *[TBD]*
- Withdrawal, suspension, and expulsion procedures. *[TBD]*

Article IV · Member Shares & Capital

- Member share (buy-in): **$3,333** full-time, **$1,111** part-time, recorded to the member's internal capital account. *[FT/PT definition TBD]*
- Monthly assessments follow the same 3:1 tier ratio. *[amounts TBD from the overhead model]*
- Repurchase on exit: at face value, in good standing, subject to the Co-op's financial condition and any board-set schedule. *[conditions TBD]*
- Additional capital calls, if any. *[TBD]*

Article V · Patronage & Allocations

Plain version: no year-end bonus. Once a year, if monthly bills from members exceeded actual costs, the extra is refunded in proportion to what each member paid. Patient fees are not part of this.

- Co-op income is member assessments for shared services. Patient billings are not Co-op income.
- Surplus means assessments collected above actual costs. Allocated by patronage, measured by assessments paid that year. *[CPA to confirm the base]*
- Dividend split: minimum 20% cash; remainder retained in members' capital accounts. The member is taxed on the full qualified allocation, including the retained portion. *[percentages TBD]*
- Qualified/nonqualified written notices of allocation under Subchapter T. *[CPA to specify]*

Article VI · Governance

- One member, one vote, regardless of tier, patronage, or capital.
- Member votes on annual budget, lease matters, shared hiring, admissions, and bylaw amendments. *[scope TBD]*
- Board/officers or member-managed structure. *[structure TBD]*
- Meetings, quorum, and notice. *[TBD]*

Article VII · Operating Committees

Each member serves on at least one committee (~2–4 hours/month): Facilities & Supplies; Marketing & Community; Tech & Systems. *[duties TBD]*

Article VIII · Real Estate

The Co-op subleases its premises from the master-lease LLC at fair market rate under a written sublease. *[terms TBD]*

Article IX · Dissolution

On dissolution, liabilities are settled, member capital accounts returned as funds allow, and any remainder distributed per law. *[TBD]*

Article X · Amendments

These bylaws may be amended by member vote. *[threshold TBD]*
