

**BYLAWS
OF
WEST COLFAX FOOD COOPERATIVE**

**ARTICLE I.
Membership**

Section 1. Classes of Membership. The West Colfax Food Cooperative, a Colorado cooperative (the “Cooperative”) shall have two classes of members, which are hereby designated as “Worker Members,” and “Consumer Members” (collectively, the “Members”). All Members shall be both voting and patronage members. A person may be a Member of more than one class, so long as that Member meets all applicable membership qualifications.

Section 2. Qualifications of Consumer Members. Any individual who makes consumer purchases from the Cooperative is eligible for membership in the Cooperative and as otherwise determined by the Board of Directors may become a Consumer Member of the Cooperative upon:

- (a) Paying a one-time membership fee of \$200.00, which may be payable in installments as determined by the Board of Directors;
- (b) Agreeing to purchase consumer goods at the Cooperative at least six times per year;
- (c) Entering into any such agreements with the Cooperative that the Board of Directors requires; and
- (d) Receiving the approval of the Board of Directors.

Section 3. Qualifications of Worker Members. Any individual who is employee of the Cooperative is eligible for membership in the Cooperative and as otherwise determined by the Board of Directors may become a Worker Member of the Cooperative upon:

- (a) Having worked a minimum of 480 hours for the Cooperative;
- (b) Paying a one-time membership fee of \$50.00;
- (c) Entering into any such agreements with the Cooperative that the Board of Directors requires; and
- (d) Receiving the approval of the Board of Directors.

Section 4. Responsibilities. Members shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. A member who upholds these responsibilities is considered an active member in good standing.

Section 5. Termination of Membership. The Board of Directors, in its sole discretion, may terminate any Member's membership, if, at any time, the Member:

- (a) has become ineligible for membership; or
- (b) has failed to patronize the Cooperative for a period of two years or more; or
- (c) dies, if an individual, or dissolves or otherwise ceases to exist, if an entity; or
- (d) as determined by the Board of Directors by resolution:
 - (i) intentionally or repeatedly violated any provision of the Articles of Incorporation or the Bylaws of the Cooperative; or
 - (ii) breached any contract or agreement with the Cooperative or breached any Member policies passed by the Board of Directors; or
 - (iii) willfully obstructed any lawful purpose or activity of the Cooperative; or
 - (iv) otherwise engaged in conduct damaging to the business, reputation, or mission of the Cooperative.

Termination shall be by sending notification of cancellation by certified US mail to the address for the Member and tendering the amount of the membership fee that the Member paid to the Cooperative to acquire a membership, together with any dividend or patronage refund due or unpaid, less any indebtedness due the Cooperative; provided, however, that the Board of Directors may provide that in certain circumstances a terminated Member shall forfeit the right to receive the return of his, her, or its membership fee. Upon termination, all membership rights of that Member shall cease. However, no action taken hereunder shall impair the obligations or liabilities of either party under any contract with the Cooperative, which may be terminated only as provided under such contract. For any termination under this Section 5(d), following the first event giving rise to the Board of Directors' right to terminate the Member, the Cooperative shall first notify the Member of the conduct giving rise to the right to terminate, giving the Member the opportunity to present the Member's position to the Board of Directors (or a designated representative) as to why the conduct occurred and the Member's plan of improvement, and the Board may, in its discretion, determine to refrain from terminating the Member's membership in the Cooperative for that occurrence. If a Member is a Member of multiple classes, the Member's membership in just one class may be terminated, or a Member may be terminated from all classes, as determined by the Board of Directors.

Section 6. Return of Equity. Equity shall be returned upon termination of membership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer necessary for the reasonable or prospective capital needs of the Cooperative.

Section 7. Special Member Rights. The Members shall have certain special rights based on their membership class.

- (a) Worker Members shall have the following special rights:
 - (i) Discounts at the Cooperative's food store, as determined by the Board of Directors in its discretion.
 - (ii) Career advancement and professional development opportunities as laid out and approved by the Board of Directors in its discretion.

(b) Consumer Members shall have following the special rights:

- (i) Discounts at the Cooperative's food store, as determined by the Board of Directors in its discretion.

(c) Any Member who is a natural person may designate additional persons who are eligible to exercise that Member's rights, so long as that person is a spouse, parent, or child (including adopted children, step-children, and minors for whom a Member is the legally appointed guardian) of that Member. The Board of Directors may require such written agreements regarding designation of additional persons with Member rights, and may, in its discretion, extend the scope of relatives who may exercise a Member's rights.

Section 8. Member Agreements and Policies. The Board of Directors may, from time to time, adopt such other agreements and policies as it determines are necessary or desirable for the operation of the Cooperative. The Board of Directors may adopt policies that bind all or a particular class of Members, and it may also require that as a condition of continued membership, all or certain classes of Members become a party to additional agreements with the Cooperative.

Section 9. Transfer Restrictions. No membership, nor any membership right, shall be assigned, transferred, alienated, or encumbered, either voluntarily or involuntarily, or by operation of law or otherwise (i) to a person not qualified to be a Member of the applicable class and (ii) without the consent of the Board of Directors.

Section 10. Restrictions on Membership Certificates. If and when membership certificates are issued they shall include printed restrictions limiting the transfer of the membership only to persons eligible to be Members, and transfer shall be subject to the approval of the Board of Directors.

Section 11. Unclaimed Property. If a member voluntary or involuntarily terminates membership in the cooperative, and fails to inform the cooperative of his or her mailing address, then the equity and patronage dividend amount allocated to that member will be forfeited by the member to the cooperative.

ARTICLE II
Preferred Stock

Section 1. Authorization to Issue Non-Voting Preferred Stock. The Cooperative is authorized to issue up to 1,000,000 shares of preferred stock, no par value (“Preferred Stock”). If and when issued, the Preferred Stock may have a preference in the payment of dividends ahead of the payment of any dividend or allocation based on patronage. The Preferred Stock shall not include any right to vote, but may include rights to approve certain actions of the Cooperative. The Board of Directors is authorized to adopt, from time to time, a resolution or resolutions providing for the issue of Preferred Stock in one or more series, to fix the number of shares in each such series and further to fix the designations and the powers, preferences and other special rights and the qualifications, dividend rates, redemption rights, conversion, liquidation preferences, limitations and restrictions, and any other terms, conditions or provisions with respect to the series not inconsistent with the provisions the Articles of Incorporation, which may vary as between the different series of Preferred Stock. The Board shall amend these Bylaws, if necessary, based on the rights and privileges provided to any subsequently issued shares of Preferred Stock.

Section 2. Preferred Stock Certificates. If and when certificates for Preferred Stock are issued, it shall show on its face the preferences, privileges, voting rights, or restrictions and qualifications of that stock.

ARTICLE III.
Meetings of Members

Section 1. Annual Meeting. The Annual Meeting of the Members shall be held in November of each year by the Board of Directors, at a time and place fixed by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members shall be held at the place specified in the notice of the meeting. Any such special meeting may be called by the President, the Board of Directors, or, upon petition to the Board, by 25% of the Members. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary, and shall state the time, place, and purposes of such meeting.

Section 3. Notice of Meetings. The Secretary shall give notice of a meeting of the Members by in writing by mailing or emailing the notice of the meeting of the Members to each Member personally at the Member’s last known post office or email address. The notice of a meeting of the Members shall state the time, place, and in the case of a special meeting, purpose of the special meeting. No business shall be transacted at special meetings other than that referred to in the notice. The notice of a meeting of the Members must be given between ten days and than thirty days before the date of the meeting, and shall be effective upon emailing or posting by first class US Mail. When a special meeting is called by a written petition of the Members, the notice of the special meeting shall be issued no later than ten days after the date the Members present the petition to the Board, and the special meeting must be held no later than thirty days after the date the Members present the petition to the Board.

Section 4. Voting. Each Member shall be entitled to one vote upon each matter submitted to a vote at a meeting of the Members. Voting by proxy and cumulative voting shall not be permitted. If two or more persons hold one membership in partnership, joint tenancy, or otherwise, the vote of such membership shall be cast by any one of such persons. If a Member is a Member of more than one class, in any vote of the Members, that Member may vote as a Member of only one class; the Board of Directors, President, or Secretary may provide further rules and procedures governing voting procedures for Members of more than one class.

- (a) Voting by Mail or by Electronic Means. For any meetings of Members, the board of directors, at its election, may submit motions or resolutions to all the Member for vote by ballots transmitted by mail through the U.S. Postal Service. In addition, the board of directors, at its election, may submit motions or resolutions to all the Members for vote by any electronic means (including, but not limited to, email ballots, internet drop box voting, etc.) that the board deems is reasonable and that will allow all of the Members to vote. The ballots may be returned to the cooperative by mail, by email, or by any other reasonable means, as directed in instructions to be delivered with the ballots. The ballots shall be counted only in the meeting at the time at which the vote is taken, provided that all Members have been notified in writing, pursuant to action by the board of directors, of the exact wording of the motion or resolution upon which the vote is taken, and a copy of the motion or resolution is forwarded with and attached to the vote of the member voting. If a question for which mailed or emailed ballots have been received shall be amended at the meeting, the meeting shall be adjourned with respect to that question until a new vote can be solicited by mail or email with respect to the amended question.

Section 5. Quorum. Twenty percent of the Members (20%) present in person or participating by mail or electronic voting on the matters considered at the meeting, shall constitute a quorum necessary to the transaction of business at any Annual Meeting or special meeting of the Members.

ARTICLE IV. **Directors**

Section 1. Number and Qualifications. The affairs of the Cooperative shall be governed by a Board of Directors. The initial Board of Directors shall consist of eight directors, and at the first Annual Meeting of the Members, and at each Annual Meeting thereafter, the Members shall elect up to fifteen directors, with the total number determined in advance of the annual meeting by the Board of Directors.

- (a) Worker members shall be eligible to sit on the Board of Directors, but only as non-voting directors.
- (b) A vacancy on the board of directors shall be declared at the discretion of the board of directors after any director fails to attend three (3)

consecutive regular board meetings and be appointed as provided in Section 5 of this Article.

Section 2. Term. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one-third (1/3) of the Board is elected each year. The initial term of a director elected to fill an unexpired term shall be only for the remaining period of the unexpired term.

Section 3. Election of Directors. At each Annual Meeting of the Members, elections shall be held to fill all vacancies on the Board of Directors. All Members in good standing shall have the right to nominate and vote on the directors. The manner of nomination and election of directors shall be as follows or as provided for by resolution of the Board of Directors:

- (a) Nomination of Directors. At the first directors' meeting following the end of the fiscal year but not later than sixty (60) days preceding the annual meeting date, the board of directors shall appoint a nominating committee. The nominating committee shall consist of three (3) Members representative of the areas served by the cooperative. The three (3) Members of the nominating committee shall be Members having the right to vote. They shall strive to name at least two (2) nominees for each vacancy who shall have agreed to accept the directorship and its responsibilities if elected. The nominating committee shall use qualifications under the directors' qualifications section of these bylaws and shall nominate persons representative of the areas served by the cooperative. **Each nominee must be willing to accept all the responsibilities of directors of the cooperative, to attend the directors' meetings and other training and informational meetings to better serve as directors and to become familiar with the cooperative's articles of incorporation, bylaws, organizational structure, objectives, policies and procedures.**

Section 4. Removal of Directors. The Board of Directors or any individual director may be removed from office, for any reason, by a vote of two-thirds (2/3) of the Members of the class that elected him or her that are present in person and that are entitled to vote at the meeting of the Members at which the removal of directors is considered. In case any one or more directors be so removed, successor directors shall be elected at the same meeting. A director may also be removed in accordance with § 7-56-404 and 405 of the § 7-56-404 Colorado Revised Statutes.

Section 5. Vacancies. Whenever a vacancy occurs on the Board of Directors, other than from expiration of a term of office or removal from office, a majority of the remaining directors shall appoint a replacement director eligible to hold that director position pursuant to Section 1 to fill the vacancy until the next Annual Meeting of the Members, at which time the Members shall elect a new director to fill the vacancy for the remainder of the term of the vacant director.

Section 6. Annual Meeting. At the Annual Meeting of the Board of Directors, the officers of the Cooperative for the ensuing year shall be elected, and such other business may be transacted as may properly come before the meeting.

Section 7. Regular Meetings. A regular meeting of the Board of Directors shall be held monthly or as otherwise determined by the Board of Directors, upon such notice and at such time and place as the Board of Directors may determine.

Section 8. Special Meetings. A special meeting of the Board of Directors shall be held whenever called by the President or, during his or her absence, by the Vice President, on at least three business days' of notice to each director personally, or by mail or electronic means. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of any three directors. The purpose of a special meeting shall be specified in the notice of the meeting.

Section 9. Open Meetings; executive session. Meetings shall be open to all members unless the Board decides to go into executive session regarding confidential matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law, be considered confidential.

Section 10. Decision-Making, Quorum, Voting. Matters will be discussed with a goal of seeking universal agreement. If it becomes apparent that such universal agreement cannot be reached at the meeting, the President, or facilitator, will take a vote as to whether the issue must be decided at the meeting or can be tabled for future discussion and decision.

A majority of the directors in office shall constitute a quorum necessary to the transaction of business at any meeting of the Board of Directors, but if less than a quorum is present, those Directors present may adjourn the meeting from time to time until a quorum shall be present. **All questions shall be decided by two-thirds of the directors present at a meeting.**

Section 11. Executive Committee. The Board of Directors will designate the President, the Vice President, the Secretary, and the Treasurer of the Cooperative, to constitute an Executive Committee. To the extent determined by the Board of Directors, the Executive Committee shall have and exercise the authority of the Board of Directors in the management and business of the Cooperative; provided, however, that the Executive Committee shall not have the powers of the Board of Directors in regard to apportionment or distribution of proceeds, election of officers, filling vacancies on the Board of Directors, and amending the Articles of Incorporation or the Bylaws. The Executive Committee shall act only in the interval between meetings of the Board of Directors, and shall be subject at all times to the control and direction of the Board of Directors. Copies of the minutes of each Executive Committee meeting shall be mailed or transmitted electronically to all Directors within seven days following such meeting.

Section 12. Conflicts of Interest. Directors shall be under an obligation to disclose their actual or potential conflicts of interest in any matter under consideration by the board. Directors having such a conflict shall absent themselves from discussion and decision of the matter unless otherwise determined by the Board. No employee of the Cooperative may serve on the Board.

Section 13. Compensation. The compensation of the Board of Directors shall be determined by resolution of the Board of Directors. Directors shall also be entitled to reimbursement for actual expenses incurred in attending Board of Directors meetings or in conducting other business of the Cooperative as approved by the Board of Directors.

Section 14. Written Action; Telephonic Conferences. Any action which may be taken at a meeting of the Board of Directors or the Executive Committee may be taken without a meeting if a written or writings reflecting and approving the action taken shall be signed by all of the directors or executive committee members entitled to vote on such action. The President may further permit (but only upon the specific request of a director for exceptional circumstances) any or all directors to participate in a regular or special meeting through any means of communication by which all directors participating are able to communicate simultaneously.

Section 15. Assent to Action. A director is considered to have assented to an action of the Board of Directors unless:

- (a) The director votes against it or abstains and causes the abstention to be recorded in the minutes of the meeting; or
- (b) The director has his or her dissent recorded in the minutes; or
- (c) The director does not attend the meeting at which the vote is taken.

Section 16. Term Limits. A director may serve on the Board of Directors for up to three full consecutive terms (provided that first term of any initial director shall not commence until after the first Annual Meeting of Members at which that person is elected by the Members). Following the end of a director's third full consecutive term on the Board of Directors, that director may not be elected or appointed to the Board of Directors for a period of twelve months (subject to reasonable curtailment based on the timing of the Annual Meeting of Members for the year subsequent to the year in which that person's third term on the Board of Directors ended).

ARTICLE V. **Duties of Directors**

Section 1. General Powers. The Board of Directors shall manage the business and affairs of the Cooperative, and shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the Members. The Board of Directors shall adopt such policies, rules, regulations, and actions not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable.

Section 2. Employment of General Manager. The Board of Directors shall select and employ a General Manager and fix the compensation of such General Manager. The Board of Directors may terminate the employment of the General Manager with or without cause at any time, unless an enforceable written contract between the Cooperative and the General Manager provides otherwise.

Section 3. Bonds and Insurance. The Board of Directors may require the General Manger and all officers, agents, and employees charged by the Cooperative with responsibility for the custody of any of its funds or property to give adequate bonds. Such bonds, unless cash security is given, shall be furnished by a responsible bonding company and approved by the Board of Directors, and the cost thereof shall be paid by the Cooperative. The Board of Directors shall provide for the adequate insurance of the property of the Cooperative, or property which may be in the possession of the Cooperative, or stored by it, and not otherwise adequately insured, and in addition adequate insurance covering liability for accidents to all employees and the public.

Section 4. Accounting System and Audit. The Board of Directors shall install and maintain an adequate system of accounts and records.

Section 5. Agreements with Members. The Board of Directors shall have the power to carry out all agreements of the Cooperative with its Members in every way advantageous to the Cooperative representing the Members collectively.

Section 6. Depository. The Board of Directors shall have power to select one or more banks to act as depositories of the funds of the Cooperative, and to determine the manner of receiving, depositing, and disbursing the funds of the Cooperative, the form of checks, and the person or persons by whom they shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

ARTICLE VI.

Officers and General Manager

Section 1. Election of Officers. At each Annual Meeting of the Board of Directors or at such other time as is required, the Board of Directors shall elect the principal officers of the Cooperative, which principal officers shall be a President, a Vice President, a Secretary, and Treasurer. The President, Vice President, Secretary, and Treasurer must be directors of the Cooperative. An officer may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby. If any vacancy shall occur among the principal officers of the Cooperative, it shall be filled by the Board of Directors at its next regular meeting following the vacancy.

Section 2. Duties of President. The President shall:

- (a) preside over all meetings of the Members of the Cooperative, the Executive Committee, and the Board of Directors;
- (b) call special meetings of the Board of Directors;
- (c) perform all acts and duties usually performed by an executive and presiding officer;
- (d) sign all membership certificates and such other papers of the Cooperative as the President may be authorized or directed to sign by the Board of Directors; provided, however, that the Board of Directors may authorize any person to sign any or all checks,

contracts, and other documents in writing on behalf of the Cooperative; and

- (e) perform such other duties as may be prescribed by the Articles of Incorporation, by these Bylaws, or by the Board of Directors.

Section 3. Duties of Vice President. In the absence or disability of the President, the Vice President shall perform the duties of the President.

Section 4. Duties of Secretary. The Secretary shall attend all meetings of the Board of Directors, all meetings of the Executive Committee, and all meetings of the Members, and shall record all votes and keep minutes of all such proceedings. The Secretary shall keep a complete record of all meetings of the Cooperative and of the Board of Directors, and shall have general charge and supervision of the books and records of the Cooperative. The Secretary shall sign all membership certificates with the President, and such other papers pertaining to the Cooperative as he or she may be authorized or directed to sign by the Board of Directors. The Secretary shall serve all notices required by law and by these Bylaws, including notices of meetings, and shall make a full report of all matters and business pertaining to his or her office to the Members at the Annual Meeting. The Secretary shall keep complete stock and membership records, shall make all reports required by law, and shall perform such other duties as may be required of him or her by the Cooperative or the Board of Directors.

Section 5. Duties of Treasurer. The Treasurer shall perform such duties with respect to the finances of the Cooperative as may be prescribed by the Board of Directors.

Section 6. Duties of General Manager. The Board of Directors shall appoint a General Manager, who shall perform such duties as the Board of Directors may prescribe, and such duties shall be contained in the job description of the general manager as approved by the Board of Directors.

Section 7. Compensation. The salary, compensation, and other benefits of the General Manager and all officers shall be fixed by the Board of Directors; provided, however, that no officer who is a director may take part in the vote on his or her own compensation.

Section 8. Special Powers. The General Manager or any officer may be vested by the Board of Directors with any power and charged with any duty not contrary to law or inconsistent with the Articles of Incorporation or these Bylaws.

ARTICLE VII. **Indemnification and Insurance**

Section 1. Indemnification. The Cooperative shall indemnify each director, officer, manager, employee, or agent of the Cooperative, and any person serving at the request of the Cooperative as a director, officer, manager, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her to the fullest extent to which such officers, directors, managers, agents, and employees of a cooperative association may be indemnified under the laws of the State of Colorado, or any amendments thereto or substitutions therefor.

Section 2. Insurance. The Cooperative shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, manager, employee, or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, manager, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity.

ARTICLE VIII.

Method of Operation - Patronage Refunds

Section 1. Cooperative Operation. The Cooperative shall be operated on a cooperative basis for the mutual benefit of the Cooperative's Members, and shall conduct its business consistent with the objects and purposes defined in the Articles of Incorporation and these Bylaws. Each transaction between the Cooperative and each Member shall be subject to and shall include as a part of its terms each provision of the Articles of Incorporation and these Bylaws, whether the same be expressly referred to in said transaction or not. Upon receiving or buying or contracting to receive or buy any products from the Cooperative, or working at the Cooperative, as applicable, each Member shall be entitled to any and all patronage refunds as defined in this Article VIII of these Bylaws.

Section 2. Margin Allocation. In order to induce patronage and to assure that the Cooperative will operate on a service-at-cost basis in all its transactions with its Members, the Cooperative is obligated to account on a patronage basis to all Members on an annual basis for all amounts received from business conducted with Members on a patronage basis, over and above the cost of providing such services, making reasonable additions to reserves, and redeeming capital credits. The amount of such allocation shall be determined annually by the Board of Directors and shall be on such basis as the Board of Director determines in its reasonable discretion. The Cooperative is hereby obligated to pay all such amounts to the patrons in cash or by credits (as determined by the Board of Directors) to a capital account of each Member.

Section 3. Per-Unit Retains. Each Member also agrees to provide capital in such amounts as determined by the Board of Directors based on physical units of product marketed through the Cooperative. Such per-unit retains shall be allocated to the Member's capital credit account.

Section 4. Dividends. No dividends shall be paid on any capital credits.

Section 5. Records and Documentation. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each Member is clearly reflected and credited in an appropriate record to the capital account of each Member.

Section 6. Retirement of Capital Credits. The Cooperative shall retire capital credits and retains, if any, based on a policy adopted by the Board of Directors.

ARTICLE IX.
Fiscal Year

The fiscal year of the Cooperative shall commence on the first day of January of each year and shall end on the last day of last day of December of each year.

ARTICLE X.
Amendment

These Bylaws may be amended or repealed and new Bylaws may be adopted at any regular or special meeting of the Board of Directors by the vote of two-thirds (2/3) of the directors present at such meeting. The Members of the Cooperative, by the action of a two-thirds (2/3) majority present and voting at a duly authorized meeting may cancel the action of the Board regarding amendments to the Bylaws.

ARTICLE XI.
Consent

Section 1. Consent. Each person (including individuals, firms, partnerships, corporations, associations, cooperatives, limited liability companies, joint ventures, estate and trusts) who hereafter applies for and is accepted to membership in this Cooperative and each member of this Cooperative on the effective date of this Bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to that member's patronage which are made in qualified written notices of allocation or qualified per unit retain certificates (as defined in 26 U.S.C. Sec. 1388), and which are received by that person from the Cooperative, will be taken into account by that person at their stated dollar amounts in the manner provided in 26 U.S.C. Sec. 1385(a) in the taxable year in which such written notices of allocation or per unit retain certificates are received by that person.

Section 2. Consent Notification to Members and Prospective Members. Written notification of the adoption of this Consent Bylaw, a statement of its significance, and a copy of the provision regarding said consent shall be given separately to each Member and prospective member to whom this Consent Bylaw applies before they become members of the Cooperative.

Adopted at the meeting of the Board of Directors at _____, Colorado, on _____, to be effective on that same date.

Attest: _____
Secretary