**PREAMBLE - REASONS FOR NETWORK COOPERATIVE**

This blockchain cooperative is organized with the goal of ensuring long-term network stability and predictability for miners and token-holders.  Traditional blockchain models do not ensure network input in the corporate governance of the network. This model aims to ensure that all token holders have an equal say in how the blockchain network is run, the decisions that are made, and the direction in which the network evolves.  The Board of Directors is required under law. However, in this cooperative model the Board will have limited powers and should default to a network vote in all issues, unless these bylaws explicitly allow a Director to leverage their business judgment.

A secondary goal of this corporate structure is to create a vehicle for investors to participate in the initial launch of the network.  Because every token holder has only one vote, investors would not achieve a majority say in the governance of the cooperative network. Instead, investors would have an even say on the running of the network - whether an investor has less than a single token, a single token, or more than one token.

**ARTICLE 1 - Membership**

1.1 Classes of Members. The Cooperative shall have one class of Members.

1.2 Becoming a Member. To become a Member of this Cooperative, a person must: purchase or mine a whole LegalBlock Hacknet Token.  Partial Tokens (less than a whole Token) will count towards membership. Further, any number full tokens or any partial token will ensure a single vote during member voting sessions.  No member will have more than one vote, and no member will have less than one vote. This is a binary test: if an individual has a portion of a token, a full token, or multiple tokens, that member has one vote.

1.3 Acceptance of Members. There will not be a review or approval process for new members of the cooperative.  Instead, when a non-member buys or mines a LegalBlock Hacknet Token, the non-member will become a member of the cooperative.

1.4 Members May Not Transfer Their Memberships. No Member may transfer her or

his Membership or any right arising from that Membership. Any attempted

assignment or transfer of Membership shall be void, and will not confer rights on the

intended assignee or transferee.  However, members are permitted to sell all of their LegalBlock Hacknet Tokens.  When the last Token is sold, a cooperative member will stop being a cooperative member and whoever buys the full, partial, or multiple tokens will gain one vote to use during member votes.

1.5 Member Network Contribution: Members - if they wish - may provide their computers to serve as computing power for hasing/mining purposes.  However, there is no obligation for members to do such an action. Thus, members may either be miners/hashers and/or investors.

**ARTICLE 2 – Termination of Membership**

2.1 Resignation of a Member.

1. Every Member has the right to resign from the Cooperative.

2. When a Member resigns from the Cooperative his or her Membership will be

terminated.

3. To resign from the Cooperative, a Member must sell all of his/her LegalBlock Hacknet Tokens.

Voting, participation, and any involvement with the cooperative network will not be allowed as soon as all of a member’s Tokens are sold.  A member remains a member of the network as long as that member owns any portion of a token. Only complete non-ownership of a token will ensure that a member leaves the cooperative.

4. If a Member resigns, he or she is still responsible for any charges, dues, or other

obligations that the Member owes to the Cooperative. The Cooperative shall still

have the right to enforce any such obligation or obtain damages for its breach.

2.2 Death of Member. When a member dies, whoever inherits a partial, whole, or multiple tokens will acquire a single member voting right (per Article 1).  Example: if a member with sixty tokens dies, and that member leaves twenty tokens to three survivors, each survivor would acquire a voting right within the cooperative.

2.3 Expulsion of a Member. No Member may be expelled or suspended, unless that member is failing to abide by the rules of the cooperative.

**ARTICLE 3 – Member Meetings**

3.1 Distinction between Member Meetings and Director Meetings. Members are

elected Directors of the Board when a majority of the cooperative’s members vote them into office (simple majority of the votes cast).  Meetings of the Members in their capacity as Members shall be governed by this Article 3. Meetings of the Members in their capacity as Directors shall be governed by Article 4. Except as required by law or these Bylaws, votes are cast as members rather than as Directors.

The following acts require voting as Members, rather than as Directors:

b. Expulsion of Members;

c. Election of Directors; and

d. Bylaw changes that would:

i. Materially and adversely affect the rights or obligations of Members as to

voting, dissolution, redemption, transfer, distributions, patronage

distributions, allocations, patronage, dividends, property rights, or rights

to repayment of contributed capital;

ii. Increase or decrease the number of Members authorized in total or for

any class, by increasing the total number of tokens the network may issue;

iii. Effect an exchange, reclassification or cancellation of all or part of the

Memberships;

iv. Authorize a new class of Memberships;

v. Specify or change the maximum or minimum number of Directors or

change from a variable number of Directors to a fixed number;

vi. Increase the terms of Directors; and

vii. Increase quorum for meetings.

[Explanatory Note: These sample Bylaws assume that all Members of the cooperative

are also on the Board of Directors. Because the Statute requires that cooperative

Members make certain decisions and that Directors make other decisions, it is

necessary for a cooperative to clarify in meeting minutes when decisions are being

made by Members and when they are being made by Directors.]

3.2 Member Voting.

1. Each Member will have one vote only on each matter submitted for a vote.

2. If a vote requires that Members cast a written ballot, only Members that have

been Members of the Cooperative for more than 10 days prior to the meeting

date may be entitled to cast ballots.

3. Cumulative voting shall not be permitted for any purpose.

4. Unless otherwise specified, all votes shall be conducted using the modified

consensus process in Article 5.

5. Voting shall take place using the liquid democracy procedure.

3.3 Annual Members Meeting.

1. Members of the network shall determine the frequency, date, time, and procedures for member meetings.

2. At this meeting, the Members shall elect all of the Members to the Board (unless

there are fewer than three Members in which case the Members shall elect the

number of non-Member Directors required to bring the number of Directors to

three). The Members shall also elect Officers and conduct any other proper

business.

3. If the bylaws are amended to change from a variable to fixed number of Board

Members (e.g., the Members vote to have seven Directors instead of having all

Members serve as Directors), Board elections shall be held at the Annual

Members Meeting, and these Bylaws shall be amended to provide for reasonable

election procedures and procedures for the removal of Directors.

4. If the meeting falls on a holiday it should be held at the same time/place the

following business day.

3.4 Special Member Meetings.

1. Special meetings of the Members for any lawful purpose may be called by the Board,

President, Secretary, or by at least 5% of the Members.

2. The procedure for calling a special Members meeting shall be as follows:

a. The person(s) requesting the special meeting shall submit a written request

to the Cooperative addressed to the attention of the President or Secretary;

b. Within 20 days after receipt, the President or Secretary shall cause notice to

be given to the Members entitled to vote that a meeting will be held at a time

fixed by the Board not less than 35 nor more than 90 days after the receipt of

the request.

3. Special meetings shall be held at the principal office of the Cooperative or online, at the discretion of the Board of Directors.

3.5 Notice.

1. Whenever the Members are required to take any action at a meeting, a written

notice of the meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each Member who, on the record date for notice of the

meeting, is entitled to vote.

2. The notice shall state the following:

a. Meeting place, date, and time of the meeting;

b. If applicable, the log-in or call-in information for telephone/video/web

conference;

c. In the case of a special Members meeting, the general nature of the

business to be transacted, and that no other business may be transacted,

or

d. In the case of the regular Members meeting, those matters which the

Board intends to present for action by the Members. The notice of any

meeting at which Directors are to be elected shall include the names of

the nominees.

3. Notwithstanding the above, any of the following decisions, other than by unanimous

approval by those entitled to vote, shall be valid only if the general nature of the

proposal was stated in the notice of meeting or in any written waiver of notice:

a. Removal of Directors;

b. Election of a Director to fill a vacancy;

c. Approval of a contract or other transaction between the Cooperative and

one or more of its Directors, or between the Cooperative and any

corporation, firm, or association in which one or more of its Directors has

a material financial interest or is a Director;

d. Amendment of the articles of incorporation; and

e. Approval of a plan of distribution upon winding up of the Cooperative.

4. Notice of a Members’ meeting or any report shall be given personally, by electronic

transmission, or by mail or other means of written communication.

3.6 Members Entitled to Notice. A Member shall be entitled to notice of any meeting, so

long as their Membership became official 30 days before the meeting date.

3.7 Meetings Held Without Proper Notice.

Members not present: The transactions of a meeting, whether or not validly

called and noticed, are valid if a quorum is present and each of the absent

Members who is entitled to vote, either before or after the meeting, signs either:

a written waiver of notice, a consent to the holding of the meeting, or an

approval of the minutes of the meeting. All waivers, consents, and approvals

shall be filed with the corporate records or made a part of the minutes of the

meeting.

Members present: A Member’s attendance at a meeting shall constitute a

waiver of notice of and presence at the meeting, unless the Member objects at the beginning of the meeting. However, attendance at a meeting is not a waiver

of any right to object to the consideration of matter required to be included in

the notice but not included, if an objection is made at the meeting.

3.8 Use of Written or Electronic Ballots at Meetings.

1. Written or electronic ballots will be used for the election of Officers and may be used for

Directors, when applicable. Written ballots may also be distributed for other

matters if the Board authorizes.

2. Ballots for Officer and Director elections must:

a. Be distributed at least 10 days before the annual meeting;

b. Include the names of all nominees; and

c. Include a space for write-in candidates.

3. Other written ballots must:

a. Describe the proposed action; and

b. Provide an opportunity to approve or disapprove of the proposed action.

4. All ballots shall specify:

a. The number of responses necessary to reach quorum; and

b. The deadline by which the ballot must be filled out and turned in, in order

to be counted.

5. When ballots are distributed at a meeting, the number of Members voting shall

be considered present for the purposes of determining quorum with respect to

the specific actions in the ballot.

3.9 Quorum. A majority of Members shall constitute a quorum at a meeting of Members.

When a quorum is present, proposals shall be adopted using the modified consensus

process as described in Section 5.1, unless otherwise required in the Articles or

Bylaws.

3.10 Loss of Quorum at a Meeting. If there is a quorum present at the beginning of a

meeting and then some Members leave so that less than a quorum remains, the

remaining Members may continue to conduct business, as long as any actions they

take (other than adjournment) reflect consensus of, or when voting is called for, at

least three-fourths of the Members required to constitute a quorum.

3.11 Adjournment for Lack of Quorum. In the absence of quorum, a majority of present

Members can vote to adjourn the meeting, and no other business may be transacted,

except as provided in Section 3.10 above.

3.12 Adjourned Meetings.

1. If a meeting is adjourned to a new time/place, Members may conduct any

business at the new meeting that could have been conducted at the original

meeting.

2. If the new meeting is announced at the original meeting, no additional notice is

required. However, if the new meeting is more than 45 days after the original

meeting or if a new record date is fixed for the adjourned meeting, notice of the

new meeting must be given to each Member entitled to vote at that meeting.

3.13 Action Without Meetings.

1. Any action which may be taken at any regular or special Members meeting may

be taken without a meeting if the Cooperative distributes a written and/or digital ballot to

every Member entitled to vote on that proposal.

2. The written ballot shall set forth the proposal, provide the opportunity to specify

approval or disapproval of the proposal, indicate the number of responses

needed to meet quorum, the percentage of approvals necessary to pass the

proposal; and provide a reasonable time within which to return the ballot.

3. Approval under this section shall be valid only when:

a. The Cooperative receives within the specified timeframe a number of

written ballots that is at least equal to the quorum required for a meeting;

and

b. The number of approvals is at least equal to the number of approvals

required at a meeting.

4. The Secretary shall cause a vote to be taken by written ballot upon any action or

recommendation proposed in writing by 20 percent of the Members.

**Article 4 - Director and Officer Duties and Compensation**

4.1 Director Compensation: Directors will be granted compensation.  This ensures that members of the network will volunteer to assume the additional responsibilities of the position.  Compensation will be based on a percentage of that term’s average hash and/or mining rate. Directors will be paid a default of twice what a typical miner and/or hasher would make in tokens in a given year.  However, members can change this rate. Thus, director compensation will be tied directly to the performance of mining and/or hasing the network experiences. Directors will be paid in tokens, again ensuring that the Directors consider and pull toward ensuring the long-term viability and success of the network.  Lastly, the Director compensation will be on a vesting schedule. The longer that a Director serves within his/her term, the more of their compensation they will have already earned. Members will decide the vesting schedule at the same time that they decide Director compensation for the upcoming Director term. Because the members may choose to remove a Director at any time, this ensures that the Director has an interest in listening to the general opinion of members.

4.2 Officer Compensation: The only officer of this cooperative will be the CEO, who is also the President of the Board.  The CEO will not be paid for his/her services. Instead, the members may elect to offer more compensation be paid to the President of the Board for this additional role.

4.3 Director Responsibilities: The Directors will hold as few responsibilities as is allowable at law.  Instead, the members should run - as much as legally possible - the operations and day-to-day decisions of the network.  However, the law requires that the Board hold some responsibilities. Thus, members will allocate these responsibilities to the Board where required by law.  However, the Board is elected by the network members, and the members determine the Board’s compensation - which is tied directly to the success of the network.  Thus, Directors should behave in a manner consistent with what the members of the network would decide should they be legally able to vote on the decision.

**ARTICLE 5 – Director Meetings**

5.1 Directors and Board Composition.

1. All Members shall have the right to vote to elect the Board of Directors.

2. Only Members shall serve on the Board, except as provided in the next

paragraph.

3. There shall be no more than 40 and no fewer than 3 Directors on the Board with

the exact number of Directors to be fixed, within the limits specified, by a vote of the Members. If there are fewer than 3 Members, the Member(s) shall elect non-

Members to the Board, enough to bring the total number of Directors to 3.

5.2 Terms of Directors.

1. The term of office of the Directors shall be determined by the members.  A simple majority vote is required to determine the term of the Board of Directors.  However, the default time-period shall be two years or until the second annual meeting after election.

2. At every other Annual Member Meeting - or at the time period determined by the members - the Secretary will propose that Members nominate Director candidates.  If this proposal fails, the Directors will continue to serve until the Bylaws are amended to provide for a smaller Board and/ or a new election.

3. Notwithstanding the above, a person whose Membership is terminated shall

immediately cease to be a Director.

4. A Director will not serve for more than four years.  When a director leaves the Board due to serving for four years, another member will be randomly selected to serve as a Director.

5.3 Director Voting. Directors shall vote using the modified consensus process described

in Section 5.1.

5.4 Notice of Board Meetings.

1. Regular meetings of the Board will be held the first Monday of every month at

7:00 p.m. at the principal office of the Cooperative, either in person or digitally. If the day fixed for the regular meeting falls on a legal holiday, the meeting shall be held at the same

time on the next day.

2. Special meetings of the Board shall be held upon four days’ notice by first-class

mail or 48 hours’ notice delivered personally, by telephone, including a voice

messaging system, or by electronic transmission by the Cooperative. A notice, or

waiver of notice, need not specify the purpose of any regular or special meeting

of the Board.

5.5 Waiver of Notice. Notice of a meeting need not be given to any Director who

provides a waiver of notice or consent to holding the meeting or an approval of the

minutes in writing, whether before or after the meeting, or who attends the meeting

without protesting the lack of notice to that Director. All waivers, consents, and

approvals shall be filed with the corporate records or made a part of the minutes of

the meetings.

5.6 Quorum.

a. A majority of Directors shall constitute a quorum for a Board meeting.

b. When a quorum is present, proposals shall be adopted using the modified

consensus process as described in Section 5.1, unless otherwise required in the

articles or bylaws.

5.7 Loss of Quorum at Meeting. If there is a quorum present at the beginning of a

meeting and then some Directors leave so that less than a quorum remains, the

remaining Directors may continue to conduct business as long as any actions they

take (other than adjournment) reflect consensus of, or when voting is called for, at

least three-fourths of the Directors required to constitute a quorum.

5.8 Adjournment for Lack of Quorum. In the absence of quorum, a majority of present

Directors can vote to adjourn the meeting. No other business may be transacted,

except as provided in Section 4.7 above

5.9 Adjourned Meetings. A majority of the Directors present, whether or not a quorum is

present, may adjourn any meeting to another time and place. If the meeting is

adjourned for more than 24 hours, notice of any adjournment to another time or place

shall be given prior to the time of the adjourned meeting to the Directors who were

not present at the time of the adjournment.

5.10 Action Without Meeting. The Board of Directors may take action without a meeting if

all Directors individually or collectively consent in writing to the action. The written

consents shall be filed with the minutes of the Board’s meetings. Action by written

consent has the same force and effect as a unanimous vote of the Directors.

5.11 Resignation.

1. The only way that a Director may resign is by ceasing to be a Member, unless:

a. There are fewer than three Members and there are non-Member

Directors, in which case, such non-Member Directors may resign.

2. In a case where a Director may resign, the following procedure shall be followed:

a. A Director may resign effective upon giving written notice to the

President, the Secretary of the Cooperative, unless the notice specifies a

later time for the effectiveness of such resignation.

b. The Board shall then appoint a person to fill the vacancy and serve until

the next Annual Members Meeting.

5.12 Removal.

1. Directors may not be removed except if they cease to be Members.

2. Any reduction of the authorized number of Directors does not remove any

Director prior to the expiration of the Director’s term of office.

5.13 Empowered Committees. Portion

1. The Board may establish committees through the decision-making process in

Section 5.1. Each committee shall consist of two or more Directors who serve at

the pleasure of the Board.

2. An empowered committee shall have the same authority as the Board, except

with respect to:

a. Approval of any action that by law requires approval by the majority of

the Members;

b. Filling vacancies of the Board or any committee that has authority of the

Board;

c. Fixing compensation of Directors for serving on the Board;

d. Amendment or repeal of the Bylaws or adoption of new Bylaws;

e. Amendment or repeal of any resolution that the Board has expressly

deemed not amendable or repealable;

f. Establishment of committees of the Board or appointing Members to such

committees;

g. Expenditure of corporate funds to support a nominee for Director (if

there are more people nominated for Director than open slots available).

**ARTICLE 6 – Decision-Making Process**

5.1 Modified Consensus Decision-Making Process.

1. Matters will be discussed with the goal of reaching consensus (a simple majority).

2. If consensus cannot be reached, Members will vote on whether the issue must be

decided at the current meeting or can be tabled for future discussion.

3. If at least three-fourths of the quorum believe that an immediate decision is

needed, voting will be held on proposals regarding the issue.

4. The proposals can then be carried by a three-fourths vote, except as otherwise

provided in these bylaws.

**ARTICLE 7 - Officers**

7.1 Titles of Officers.

1. Officers of the Cooperative shall be:

a. A President,

b. A Secretary,

c. A Chief Financial Officer, and

d. Any other Officer with a title and duties determined by the Board

2. The President is the Chief Executive Officer of the Cooperative.

3. One person may hold any number of offices.

7.2 Duties of Officers.

1. Officers’ duties include those duties:

a. Prescribed by law,

b. Granted by these Bylaws,

2. The Secretary must ensure that the Cooperatives’ records and reports are

properly kept and filed.

3. The President shall take on the duties of the Secretary if the Secretary is unable

or unwilling to do so.

7.3 Nomination and Election of Officers.

1. Any Member can nominate any Member, including himself/herself, for any office.

Nominations shall take place at the Annual Member Meeting and at the

preceding regular meeting.

2. Officers shall then be elected at the Annual Member Meeting by written or digital ballot, to

serve terms determined by the other members. The candidate receiving the highest number of votes for an office shall be elected.

7.4 Resignation or Removal of Officers.

1. Officers can be removed by a vote of the Board.

2. Any Officer may resign at any time with written notice to the Cooperative.

3. Vacancies shall be filled at the next Board meeting.

**ARTICLE 8 – Financial Provisions**

8.1 Fiscal Year. The fiscal year of the Cooperative is January 1st through December 31st .

8.2 Definitions.

a. “Surplus” shall be defined as the excess of revenues over Expenses for a fiscal

year attributable to Member labor.

b. “Profit” shall be defined as the excess of revenues over Expenses for a fiscal

year attributable to non-Member labor.

c. “Loss” shall be defined as the excess of Expenses over revenues for a fiscal

year.

d. Surplus, Profit, and Loss shall be determined on a tax basis. Surplus and

Profit shall not include cash contributions by Members to capital.

e. “Expenses” shall include Distributions paid pursuant to Section 7.6,

payments of any interest and principal on any debts of the Cooperative, and

reasonable reserves as determined by the Board of Directors.

f. The “Collective Account” shall be Surplus, Profit, and reserves that are

retained in the Cooperative and not distributed to Members.

g. “Patronage” shall be defined as hours worked by each Member for the

Cooperative.

h. “Patronage Dividends” shall have the definition contained in Internal

Revenue Code Section 1388(a) (dividends paid to Members based on

Patronage).

i. “Member Account” shall be defined as each Member’s capital account in the

Cooperative (initial capital contribution plus written notices of allocation

minus Distributions minus Losses plus/minus any other item that affects the

balance in the Member’s capital account).

j. “Distribution” means the distribution of interest on capital contributed, but

does not include Patronage Dividends.

[Explanatory Note: This is a paraphrase of the definition that is found in the

Corporations Code Section 12235.]

8.3 Allocations.

1. Any profit the cooperative realizes will not be paid to the network members as a dividend.  Instead, the cooperative will invest any profits in itself. Network members will vote on how to use any profits at the end of the financial year.  The funds may be used in any way the members determine, barring distributing the profit to the members.

3. Any Loss shall be assumed by the cooperative only.  Network members will not be held accountable for any loss of the coopeartive.

8.4 Members’ Covenant to Declare Income for Tax Purposes. Each Member shall take

into account on his or her income tax return any Patronage Dividends which are made

in qualified written notices of allocation (as defined in 26 U.S.C. Section 1388) at their stated dollar amounts in the manner provided in 26 U.S.C. Section 1385(a) in the

taxable year in which the Member receives such written notices of allocation.

8.5 Dissolution Distributions.

1. Upon liquidation, dissolution, or sale of the assets of the Cooperative, any assets

left after payment of all debts and Member Account balances shall be distributed

to all persons who are current Members in proportion to the total number of voting members.

2. No distribution need be made to any person who fails to acknowledge the

receipt of notice of liquidation in a timely manner. Said notice shall be deemed

sufficient if sent by certified mail, at least 30 days before distribution of any

residual assets, to the person’s last known business or residence address.

7.11 Unclaimed Equity Interests. Any proprietary interest in the Cooperative held by a

Member that would otherwise escheat to the State of Colorado as unclaimed personal

property shall instead become the property of the Cooperative if the Cooperative

gives at least 60 days prior notice of the proposed transfer to the affected Member by

(1) first-class or second-class mail to the last address of the Member shown on the

Cooperative’s records, and (2) by publication in a newspaper of general circulation in

the county in which the Cooperative has its principal office. No property or funds

shall become the property of the Cooperative under this section if written notice

objecting to the transfer is received by the Cooperative from the affected Member

prior to the date of the proposed transfer.

**ARTICLE 9 – Corporate Records and Reports**

9.1 Records Required to Be Kept. The Cooperative shall keep at its principal office:

1. The original or a copy of its Articles and Bylaws as amended to date;

2. Adequate and correct books and records of account;

3. Minutes of the proceedings of its Members, Board, and committees of the Board;

and

4. A record of its Members, providing their names and addresses.

Minutes and other books and records shall be kept either in written form or in any

other form capable of being converted into clearly legible tangible form or in any

combination of the foregoing.  The cooperative will likely keep this information in a “dual-hash record,” meaning that a separate blockchain will be kept on the back-end to track membership information and will be included in the hash for transactions.

9.2 Inspection Rights.

1. The Cooperative’s Bylaws and Articles shall be open to inspection by the

Members at all reasonable times during office hours.  The open-source nature of the cooperative may allow inspection after office hours, but any resource required by members requesting inspection rights should be answered during normal office hours.

2. Any such inspection may be made in person or by digital inspection and may be made by agent or attorney and the right of inspection includes the right to copy and make extracts.

3. The accounting books and records and minutes of proceedings of the Members

and the Board and committees of the Board shall be open to inspection upon the

written demand on the Cooperative of any Member at any reasonable time, for a

purpose reasonably related to such person’s interests as a Member.

4. Every Director shall have the absolute right at any reasonable time to inspect

and copy all books, records and documents of every kind and to inspect the

physical properties of the Cooperative.

9.3 Annual Report.

1. The annual report shall be prepared no later than 120 days after the close of the

Cooperative’s fiscal year and shall be distributed to Members at or before their

next meeting.

2. The annual report shall contain in appropriate detail:

a. A balance sheet as of the end of the fiscal year;

b. An income statement;

c. A cash flow statement of the fiscal year;

d. A statement of where the names and addresses of current Members are

located; and

e. An annual statement of transactions and indemnifications to “interested

persons” as defined by law.

3. For fiscal years in which the Cooperative has (at any given time) over 25 Members,

the Cooperative shall notify each Member of his/her right to receive an annual

financial report.

4. The annual report shall be accompanied by any pertinent report by independent

accountants.

9.4 If there is no such report from an independent accountant, an authorized Officer of

the Cooperative shall certify that the annual report was prepared from the books

and records of the Cooperative, without audit.

**ARTICLE 10 - Indemnification**

10.1 Indemnification. The Cooperative shall have the power to indemnify its Officers,

Directors, Members, employees, and agents to the fullest extent permitted by law.

**ARTICLE 11 – Bylaws Changes**

11.1 Bylaws Changes. The Bylaws can be changed only by a vote as Members in the

circumstances defined in Section 3.1.d.

Certificate of Secretary

**ARTICLE 12 - Dissolution of the Cooperative**

12.1 The members may elect to dissolve the cooperative by a two-thirds majority.

**ARTICLE 13 - Cooperative Disposition of Assets**

13.1 A simple majority of members may decide how assets are used

I certify that I am the duly elected and acting Secretary of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Cooperative,

Inc. that these Bylaws, consisting of \_\_\_\_\_\_\_\_\_\_\_ pages, are the Bylaws of this cooperative as

adopted by the Members on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2012 and that these Bylaws have not been

amended or modified since that date.

Executed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2012 at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Colorado, by

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

ENTER NAME, Secretary