

## **BYLAWS**

### **PIXELSPOKE, LCA (HEREINAFTER THE “COOPERATIVE”)**

#### **PREAMBLE**

The Cooperative subscribes and commits to the following core values:

1. Enjoy the Journey
2. Improve Every Day
3. Everybody Wins
4. Solutions not Blame
5. Curiosity with a Purpose
6. Authenticity

The Cooperative furthermore adopts and subscribes to the seven International Cooperative Alliance cooperative principles:

1. Voluntary and Open Membership;
2. Democratic Member Control;
3. Members' Economic Participation;
4. Autonomy and Independence;
5. Education, Training and Information;
6. Cooperation among Cooperatives; and
7. Concern for Community.

The Articles of Organization, as amended from time to time (“**Articles**”), are hereby incorporated by reference into these Bylaws.

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**ARTICLE I**  
**MEMBERSHIP; AUTHORIZED CAPITAL**

1. **Qualifications for Membership**. Each of the following shall be a “**Member**” of the Cooperative and collectively, all classes of membership may be referred to herein as “**Members**.” For purposes of these Bylaws, holders of Classes A and B Common Stock shall be considered and may be referred to as “**Patron Members**” and holders of Class C Preferred Stock shall be considered and may be referred to as “**Investor Members**”, as those terms are defined in Article 58 of the Colorado statutes. The financial rights and responsibilities of each Class of Membership are more fully described in ARTICLE V of these Bylaws and in Membership Agreements entered into by each Member of the Cooperative.
- 1.1. **Class A Founder Member**. Class A Common Stock may be issued only to Cameron Madill, as the founder of the Cooperative (“**Founder Member**”) for the price set forth in **Schedule 1** (attached hereto and incorporated herein by reference, which Schedule may be modified from time-to-time in the discretion of the Board). The Class A Common Stock shall have full voting rights (“**Class A Founder Stock**”). In addition to Founder Stock, the Founder Member shall be eligible to receive non-voting Preferred Stock on terms as provided in a purchase and sale agreement between the Founder Member and the Cooperative.
- 1.2. **Class B Employee Members**. Subject to acceptance by the Board in its sole discretion, any natural person who meets the following eligibility requirements and applies for membership, may be admitted to the Cooperative as an “**Employee Member**”:
  - 1.2.1. Agrees to purchase one (1) share of Class B Common Stock in the Cooperative (the “**Class B Employee Share**” or “**Class B Employee Stock**”), for the price set forth in **Schedule 1**. Class B Employee Stock shall have full voting rights;
  - 1.2.2. Have successfully completed at least three (3) years of work for the Cooperative as an employee working at least 24 (twenty-four) hours per week or an independent contractor working at least 24 (twenty-four) hours per week, in conjunction with completing the employee-ownership training preceding the purchase of the Class B Employee Share (“**Candidacy Period**”).
  - 1.2.3. Have successfully been accepted by the affirmative vote of an eighty percent **(80%) super-majority** of Patron Members present and voting. In the case of an application by a former Employee Member, the Cooperative may waive the Candidacy Period and accept the former Employee Member immediately by the affirmative vote of an eighty percent **(80%) super-majority** of Patron Members present and voting;
  - 1.2.4. Agrees to undertake the patronage responsibilities prescribed by these Bylaws and by policies promulgated from time to time by the Board, or by member agreements executed in the ordinary course of business, including being a full-time employee or independent contractor of the Cooperative;
  - 1.2.5. Agrees to, at all times, maintain good standing as an employee or independent contractor of the Cooperative and as an Employee Member;

- 1.2.6. Meets such other uniform conditions and qualification requirements as may be prescribed from time-to-time by the Board;
  - 1.2.7. Agrees to, at all times, abide by the Articles, these Bylaws, his/her Membership Agreement, and the rules and policies as may be established and adopted from time to time by the Members or the Board; and
  - 1.2.8. Agrees to the distribution, as set out in ARTICLE V and **Schedule 1**.
- 1.3. **Class C Investor Members**. Subject to acceptance by the Board in its sole discretion, a natural person or entity (including a corporation, non-profit corporation or association, partnership, cooperative, limited cooperative association, limited liability cooperative, limited partnership, limited liability limited partnership, special purpose entity, or unincorporated association) (“**Entity**”) that meets the following eligibility requirements and applies for and be admitted to the Cooperative as an “**Investor Member**”:
- 1.3.1. Agrees to purchase shares of Class C Preferred Stock (as defined in the Articles) on such terms and conditions, including terms regarding any dividends, as represented in those certain investment documents, which shall reference and incorporate therein these Bylaws;
  - 1.3.2. Agrees to meet any qualifications set forth in those certain investment documents;
  - 1.3.3. Acknowledges that such Preferred Stock carries no voting rights, except as required by law; and
  - 1.3.4. Agrees to at all times abide by the Articles, these Bylaws, the investor documents, and the rules and policies as may be established and adopted from time to time by the Members or the Board.
- 1.4. **Representations of Certain Members**. If a Member of the Cooperative is not a natural person, the Member may be represented by any individual, associate, officer, manager, or Member thereof duly authorized by the Member in writing delivered to any Director on the Board.
- 1.5. **Admission to Membership**. The Cooperative, through or by the Board, may admit to membership any applicant who (1) applies for admission for the purpose of participating in the activities of the Cooperative and (2) meets all the requirements for application and membership under these Bylaws, the statutes of the State of Colorado, and policies established by the Board; (3) purchases at least one (1) share of Stock in the Cooperative; and (4) executes a Membership Agreement or such other agreement as the Board may require; **except** that a person or entity shall not be eligible for membership if the Board finds, based on reasonable grounds, which shall not include discrimination on the basis of sex, race, ethnicity, national origin, sexual orientation, or any other status protected by federal or state law, that the applicant's admission would prejudice the interests, hinder, or otherwise obstruct, or conflict with, any purpose or operation of the Cooperative. Without limiting the generality of the foregoing, Class B Employee Members may pay for Class B Common Stock either in immediately available funds, via an installment payment plan, or via periodic deductions from payments or distributions made by the Cooperative to such Member.

- 1.6. **Multiple Membership Interests.** A Member may concurrently belong to multiple classes of membership and hold multiple shares of the Cooperative's stock, provided the Member meets all applicable eligibility requirements of each respective membership class and maintains membership of each class in good standing.
- 1.7. **Certificates of Interests in the Cooperative.** The Cooperative shall not be required to issue any certificates representing memberships, capital stock, or other investments in the cooperative. If certificates are issued, the restrictions on transfer of stock or membership shall be printed upon every certificate of stock or certificate of membership subject to the restrictions. Certificates shall also include the terms and conditions of redemption, if any.
- 1.8. **Restrictions on Transfer of Membership Interest.** No membership interest may be transferred to any person or entity not otherwise qualified to be a Member in the Cooperative or that does not patronize the Cooperative, in accordance with Section 1 above, **except** to an Entity controlled by such holder; or to the Cooperative upon the redemption or acquisition thereof by the Cooperative. Any purported transfer or any transfer that results from the operation of law shall be void and of no effect, unless consented to in writing by the Board and entered into the records of the Cooperative. If in the sole discretion of the Board of Directors, membership is at any time held by any person or entity not otherwise eligible to hold the same, the Board of Directors may in its sole discretion, either redeem the proceeds of such membership interest, including any unredeemed notices of allocation, or transfer such membership interest to a non-membership equity account upon written notification to the holder thereof and the person or entity shall not be entitled to vote at the membership meeting of the Cooperative. Additional restrictions on transfer of membership interest in the Class C Preferred Stock may be defined in an Investor Member Agreement.
- 1.9. **Withdrawal.**
  - 1.9.1. A Member may withdraw from the Cooperative by providing thirty (30) calendar days prior written notice of the Member's intent to withdraw to the Board.
  - 1.9.2. A withdrawing Member shall be considered an active Member entitled to all benefits entitled and accruing thereto pursuant to these Bylaws until the withdrawal becomes effective.
  - 1.9.3. Withdrawal by a Patron Member of their membership does not automatically result in resignation as an employee of the Cooperative; however, resignation as an employee results in automatic withdrawal as an Employee Member.
  - 1.9.4. Unless a Member has withdrawn because the Member has died, dissolved its business, is no longer eligible for membership in the Cooperative, or because of a violation of any agreements, policies, or procedures of the Cooperative, a Member who withdraws shall be eligible to reapply for membership in the Cooperative at any time following the effective date of such withdrawal.
  - 1.9.5. Notwithstanding a Member's right to withdraw, the Board reserves the right to delay, postpone, withdraw, suspend or otherwise decide unilaterally the timing and method by which the equity represented by a Member's Stock may be

redeemed. The Board shall have the sole discretion to determine the timing and method of any redemption of a Member's equity.

1.10. **Termination of Founder Member.** The Founder Member is not subject to removal as a Member until over 50% of his Class C Investor Stock has been redeemed by the Cooperative. After that point, the Founder Member can only be terminated for cause and by a **unanimous** vote of all then-current Directors. Notwithstanding the foregoing, the retirement of the Founder Member as an employee of the Cooperative shall act as an automatic termination of membership in the Cooperative.

1.11. **Termination of Employee Members as a Member.**

If, following a hearing, prior to which the Cooperative gave an Employee Member five (5) calendar days written notice of such hearing, the Board or such other authorized Committee, shall find that such Member has: (1) violated any provision of or made a misrepresentation under the Membership Agreement, or any other policy or procedures of the Cooperative; (2) otherwise ceased to be eligible for membership in the Cooperative (including due to death, insolvency, or incapacity); (3) otherwise been disruptive to the orderly operation of the Cooperative or frustrated the Cooperative's purpose or efforts, the Board may terminate, by a **simple majority vote** of all dis-interested Directors present and voting on the matter, effective immediately, such Member's voting rights and/or, in its sole discretion, membership in the Cooperative.

1.12. **Termination of Investor Members.** The Cooperative, by or through the Board of Directors, may terminate an Investor Member's membership interest in the Cooperative only by a passing vote of the Board, and subject to certain investment agreements, which govern the terms of an Investor Member's membership interest in the Cooperative. When termination of an Investor Member's membership becomes effective, the Investor Member's membership in the Cooperative shall cease and be terminated, notwithstanding that the Board shall, in its sole discretion, determine the timing and method of any redemption of an Investor Member's equity interests.

1.13. **Rights and Interest on Withdrawal or Termination.** On the date that a Member's withdrawal becomes effective or upon the termination of the Member's membership in the Cooperative by the Board, all rights and interests of the Member in the Cooperative shall cease and the Member shall be entitled only to payment for the value of the Member's equity interest in the Cooperative. The equity interest of Employee Members is defined as the original purchase price paid by the Employee Member for one (1) share of Stock acquired as a condition for membership; the equity interest of the Founder Member is defined as the original value of the Class A Founder Stock, as set out in the **Schedule 1** ("**Terminated Patron Membership Redemption Price**"). Within one-hundred and twenty (120) days after the effective date of the Member's withdrawal or termination, the Cooperative shall consider distributing to the Member the Terminated Patron Membership Redemption Price, either in cash, by issuing a promissory note, converting to Investor Stock, or some combination thereof, to be decided in the sole discretion of the

Board. Notwithstanding the foregoing, the Board shall have the sole discretion to delay, withhold, modify, or otherwise control the timing of any redemption or equity distribution if it would impair the financial health of the cooperative. The property rights and interest of Investor Members are defined in that certain Investor Member Agreement or such other agreement as may govern the terms of an Investor Member's membership interest in the Cooperative.

- 1.14. **Consent to Tax Treatment.** Each individual or entity which becomes a Member of this Cooperative shall by such act alone agree to take into account on the Member's income tax return any Patronage Dividends which are made in qualified written notices of allocation at their stated dollar amounts in the manner provided in Section 1385(a) of the Internal Revenue Code of 1986, as amended (the "**Code**") in the taxable year in which the Member receives the qualified written notices of allocation. Each Member shall be solely responsible for any tax liability incurred as a result of patronage with the Cooperative. Each Member shall indemnify and forever hold harmless the Cooperative from any claims of any kind arising out of their patronage or their purchase or holding of Stock in the Cooperative.
- 1.15. **Record of Members.** A record of the Members and their full names, addresses, and, if required for tax reporting purposes, social security or tax identification numbers shall be kept by the Cooperative. Each Member shall notify the person maintaining the records of the Cooperative as provided in Section 7-58-112, C.R.S. ("**Secretary**") or such other representative as authorized by the Board immediately of any change in the Member's address, social security number or tax identification number.

## ARTICLE II MEETINGS OF MEMBERS

- 2.1. **Regular Annual Membership Meeting**. A regular annual membership meeting of all Members shall be held annually within one hundred eighty (180) days after the close of the fiscal year on a date and at such time and place in the area served by the Cooperative as may be determined by the Board in its sole discretion and specified in the proper notice of the meeting. At all regular meetings of Members, any and all lawful business may be brought before the meeting regardless of whether stated in the notice of the meeting; except that amendments to the Articles or the Bylaws of the Cooperative or other action required to be stated in the notice of the meeting shall not be subject to action, unless notice thereof is stated in the notice of the meeting. Any Member votes to be taken on business brought before a regular meeting of Members shall require the Board to specify which Member classes shall be eligible to vote on each matter. The Board shall prepare and post a list of Members eligible to vote on the matters to be voted on at the meeting (“**Membership List**”) in a conspicuous location during a regular annual membership meeting.
  
- 2.2. **Special Membership Meetings**. Special meetings of the Members of the Cooperative may be called at any time by order of the Board of Directors, by such officer(s) as may be designated in these Bylaws, or upon a written petition of at least **fifty percent (50%)** of the Patron Members, such petition delivered to the Board of the Cooperative stating the specific business to be brought before the meeting and shall state the time, date, and place of the meeting. The petition shall specify a date for such Special Membership Meeting that is no less than ten (10) days and no more than sixty (60) days from the date of the petition. The place stated in the petition shall be a place reasonably convenient for the general membership in so much as any meeting shall include the option to join remotely via conference call or video. At all special meetings of the Members, business brought before the meeting shall be limited to the purpose stated in the notice. The Board shall prepare and shall post the Membership List in a conspicuous location during a special membership meeting. Any Member votes to be taken during a special meeting of Members shall require the Board to specify which Member classes shall be eligible to vote on the matter stated in the notice, which shall in all cases include the class of Members represented by a written petition, if applicable.
  
- 2.3. **Notice of Meetings**. Written notice of every regular and special meeting of the Members shall be prepared and sent in accordance with ARTICLE XIII to the last known mailing address or email address of each Member not less than ten (10) days before the meeting. The notice shall state the time and place, the business to come before the meeting, and which Membership classes shall be eligible to vote at such meeting. The Board shall certify on the notice of meeting which Membership classes shall be entitled to vote at such meetings. No business shall be transacted at special meetings other than that referred to in the written notice.



- 2.4. **Waiver of Notice.** When any notice is required to be given to any Member of the Cooperative by law or under the provisions of the Articles or these Bylaws, a waiver thereof shall be equivalent to the delivery of proper notice, *provided* such waiver is in writing signed by the Member entitled to the notice, whether before, at, or after the time stated in the notice.
- 2.5. **Waiver by Attendance.** By attending a meeting, a Member: (1) waives objection to lack of notice or defective notice of the meeting unless the Member, at the beginning of the meeting, objects to the holding of the meeting or the transacting of business at the meeting; and (2) waives objection to consideration at the meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the Member objects to considering the matter when it is presented. “Attendance” shall include attendance in person at any meeting, participating in a telephonic meeting, or participation by signing into a tele-conference or other form of internet on-line meeting format as prescribed by the Board of Directors for that particular meeting.
- 2.6. **Participation.** Members may attend or conduct an annual members’ meeting through any means of communication, including in person, telephone, internet- or video conference, if all members attending the meeting can effectively communicate with each other during the meeting.
- 2.7. **Quorum.** The presence of (i) the Founder Member plus (ii) **eighty percent (80%)** of the total number of Employee Members or thirty (30) Employee Members present and voting in person or by proxy, whichever is less, shall constitute a quorum for the transaction of business at any meeting of the Patron Members, except for the transaction of business concerning which a different quorum is specifically provided by law. In the event a quorum is not present or is lost during the meeting, the meeting may be recessed or adjourned from time to time without further notice by a majority of those present until a quorum is obtained. Any business may be transacted at the resumption of the recessed meeting that might have been transacted at the originally called meeting.
- 2.8. **Voting at Meetings.**
- 2.8.1. *Voting.* Provided quorum exists, all matters shall require an affirmative vote of a **simple majority** of the Patron Members present and entitled to vote, except as otherwise specifically provided by law, the Articles or these Bylaws. Additionally, the Founder Member shall have veto rights over all votes until over 50% of his Class C Investor Stock has been redeemed by the Cooperative.
- 2.8.2. *Excluding Votes.* The Board shall be required to have a good faith rationale for excluding a membership class from voting eligibility. Any Member class excluded from voting on a particular matter may challenge the Board’s voting class eligibility determination in a written petition signed by ten (10%) percent of the Members of the class, which petition shall be delivered to the Board no less than five (5) days prior to the scheduled meeting. The Board shall be required to

hold an emergency special meeting of the Board to consider a challenge and to meet with representatives of the petitioning members. If no resolution during a special meeting of the Board can be reached, the member meeting may only proceed provided representatives of the petitioning members are afforded an opportunity to address their grievance to the membership meeting. The Members deemed in the notice to be eligible to vote shall vote up or down as to whether the petitioning member class shall be entitled to vote. If the vote passes, the member meeting shall be adjourned and re-noticed in accordance with these bylaws. If the vote fails, the meeting may proceed.

2.8.3. *Proxy and Cumulative Voting.* Voting by proxy is permitted at all meetings, provided the proxy vote is appointed to another Patron Member or Investor Member, as applicable, and the authorization is memorialized in writing, signed by both Members. Cumulative voting is prohibited at any and all meetings of the Cooperative. For purposes of this section 2.8.3, all duly prepared and delivered powers of attorney shall be considered to be proxies.

2.8.4. *Voting by Mail or by Electronic Means.* For any meetings of Members, the Board of Directors, at its election, may submit motions, resolutions, or other matters to be voted upon to Members for vote by ballots transmitted by mail through the U.S. Postal Service or by any electronic means (including, but not limited to, email ballots, internet drop-box voting, website, or other electronic voting systems) that the Board deems 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. Ballots shall not be counted in a meeting convened to consider the same or a related motion, resolution, or matter.

2.9. **Order of Business.** All membership meetings of the Cooperative shall be presided upon in accordance with these Bylaws. The Board shall designate the presiding officer of the Members meeting. The officer presiding over membership meetings shall have the discretion to adopt and enforce formal governance procedures and rules. The following order of business shall be used as a guide insofar as is applicable and desirable:

- 1) Determination of quorum
- 2) Proof of due notice of meeting
- 3) Reading and disposition of minutes of prior meeting, if applicable
- 4) Financial report
- 5) Report of the Board
- 6) Reports of Committees
- 7) Nominations for vacancies on the Board
- 8) Elections
- 9) Unfinished business
- 10) New business
- 11) Adjournment

2.10. **Action without a Meeting.**

2.10.1. Any action required or permitted by this Article to be taken at a Members meeting may be taken without a meeting if notice of the proposed action is given as set out in Section 2.10.2 and ARTICLE XIII below, and if all of the Members entitled to vote thereon consent to the action in a record.

2.10.2. Notice for action without a meeting shall describe the proposed action and specify the date on or before which consent to be given must be received by the Cooperative.

## **ARTICLE III DIRECTORS**

- 3.1 **Number and Qualifications of Directors.**
- 3.1.1 The Board of Directors of the Cooperative shall consist of no less than three (3) Directors and up to a maximum of nine (9) Directors, save in the case where the Cooperative has fewer than 3 (three) Members, then the number of Directors shall equal the number of Members.
- 3.1.2 Within the restrictions set out in Section 3.1.1 above, the number of Directors may be increased by the Board, in their sole discretion, by a **majority** vote of all then-current Directors, based upon the number of Members in the Cooperative or for such other reason as they deem reasonable.
- 3.1.3 Within the restrictions set out in Section 3.1.1 above, the number of Directors may only be decreased by a **majority** vote of Patron Members present and entitled to vote on the matter. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.
- 3.1.4 The majority of the Board must consist of Directors who are Patron Members.
- 3.1.5 The Board, in its sole discretion, may allow for nomination and election of Investor Member Directors and nonmember Directors. The number of nonmember Directors may not exceed one, if there are two to four Directors; two, if there are five to eight Directors; or one-third of the total number of Directors if there are at least nine Directors.
- 3.2 **Initial Board.** The initial Board of Directors (“**Initial Board**”) shall consist of the Founder Member and four (4) Employee Members.
- 3.3 **Terms of Directors.** Directors will serve for staggered terms of two (2) years each term. The Initial Directors shall be appointed for either a 2-year or a 3-year term so the Director terms are staggered. The Directors may be re-elected for unlimited successive terms, provided they remain a Member in good standing with the Cooperative.
- 3.4 **Nomination of Directors.**
- 3.4.1 **Founder Member Board Seat:** As long as Cameron Madill remains the Founder Member and an Employee Member, he shall have the right to a voting seat on the Board, unless removed for cause by the Members or the Board as provided in these Bylaws. No nomination or election is necessary for this seat and when Cameron Madill is no longer a Patron Member of the Cooperative, this Board Seat shall be abolished.
- 3.4.2 **Employee Member Board Seat:** The Board shall have the authority to nominate Employee Members for election to Employee Member Board seats.
- 3.4.3 **Investor Member Board Seat:** The Investor Members shall have the authority to nominate, from among the Class C Investor Members, a person to the Investor Member Board seat.

- 3.4.4 **Nonmember Board Seat:** The Board may, in its sole discretion, nominate nonmembers for a position as a Director on the Board.
- 3.4.5 **Prerequisites for nomination:** All nominees 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, Bylaws, organizational structure, objectives, policies, and progress.
- 3.5 **Election of Directors.** Each directorship, except for the Initial Board and the Founder Member board seat, shall be filled separately and election shall be as prescribed by the Board in person, or by mail, or email ballots. Newly elected Directors shall become members of the Board at the first meeting of the Board following their election. To be elected, a nominee for a Patron Member Board seat or an Investor Member Board seat receive a **majority vote** of all Members of the class of Members voting for that seat (Patron Members or Investor Members, as applicable), present and entitled to vote in an un-contested election. At all times, a majority of the Board must be elected exclusively by Patron Members.
- 3.6 **Election of Officers.** Nominations for the election of officers shall be made by Directors from the floor at the Director's meeting where the officers are to be elected. They shall elect a Secretary and may elect any other officer as determined in the discretion of the Board. Each officer shall hold office until the election and qualification of a successor unless earlier removed by death, resignation, or in accordance of these Bylaws. The Board may create, alter, and abolish such additional offices and its attendant duties in its discretion and may appoint persons to serve in such offices at the pleasure of the Board.
- 3.7 **Resignation.** Directors may resign by delivering written notice of resignation to the Board, and such resignation shall be effective immediately and without further action by the Board. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. Resignation as a Director does not automatically result in termination of Membership; however, termination of Membership for any reason results in termination of Directorship.
- 3.8 **Removal of Directors.** At a meeting called expressly for that purpose, as well as any other proper purpose, a Director may be removed in the manner provided in this Section.
- 3.8.1 **Removal of a Director by the Board:**
- 3.8.1.1 Directors may remove the Founder Member Director for “cause” as defined below. Directors may also remove one or more Directors, other than the Founder Member Director, with cause. “**Causes**” for removal include, but are not limited to the following: (i) felony criminal conviction, (ii) theft or embezzlement of the Cooperative’s property, (iii) negligence in the performance of their duties for the Cooperative, or (iv) willful disregard of the instruction and direction of the Cooperative’s Board of Directors, (v) does not meet the qualifications for Board

membership set forth in these Bylaws, (vi) does not comply with the Articles or these Bylaws, specifically the General Standard of Conduct set out in Section 3.21, and (vii) fails to attend three (3) consecutive regular Board meetings without cause.

3.8.1.2 If removal of a Director, other than the Founder Member Director, is by the Board, then it requires a **simple majority** vote of all Directors not subject to removal. If removal of the Founder Member Director is by the Board, then it requires a **unanimous decision** of all the Directors not subject to removal.

**3.8.2 Removal of a Director by Members:**

3.8.2.1 Members may remove one or more Directors, other than the Founder Member Director, with or without cause. A written petition signed by at least a **forty percent (40%)** of Members comprising the membership class represented by such Director shall initiate a vote to remove such Director, in accordance with this Section. No petition shall seek removal of more than one (1) Director.

3.8.2.2 Removal of a Director, other than the Founder Member Director, by the Members requires an affirmative vote of an eighty percent (**80%**) **super-majority** of Patron Members present and voting.

3.8.3 **Right to hearing:** Any Director subject to a removal petition under any provisions of this section shall be promptly informed in writing by the Board and shall have the opportunity, in person and by counsel, to be heard and present evidence at the meeting called for the vote. The persons seeking a Director's removal shall have the same privilege.

3.8.4 **Effect of Removal.** Removal as a Director in accordance with this Section shall result in a termination of Membership.

3.9 **Vacancies.** Whenever a vacancy occurs in the Board, the remaining Directors shall appoint a person to fill the vacancy until the next annual meeting of the Members.

3.10 **Removal of Officers.** The Board of Directors shall have the power to remove any Officer of the Cooperative with or without cause, by a **simple majority** vote of the Directors not serving as the Officer subject to removal.

3.11 **Referendum on Policy Matter.** Upon demand of at least twenty-five percent (25%) of the entire Board of Directors, made immediately at the same meeting at which the original motion was passed and so recorded, any matter of policy that has been approved or passed by the Board must be referred to the Patron Membership for ratification at the next regular or special meeting of the members, and a special meeting may be called for that purpose.

- 3.12 **Board Meetings**. Regular meetings shall be held by the Board of Directors at least once per fiscal year or more frequently, at such place (including online) and time as the Board may determine.
- 3.13 **Special Meetings**. Special meetings of the Board of Directors shall be held whenever called by the Chief Executive Officer or by a majority of Directors at a time and place specified in the notice (including online meetings). Any and all business may be transacted at any special meeting. A meeting of the Board of Directors may be held at any time or place with or without notice upon the consent of all the Directors.
- 3.14 **Notice of Board Meetings**. Prior written notice of each meeting of the Board of Directors shall be delivered in accordance with ARTICLE XIII to each Director at least ten (10) calendar days for regular meetings and at least three (3) business days for any special meetings, provided that the Board may establish regular meeting places, dates, and times for which the aforementioned notice need not be given. Notice may be waived by any or all of the Directors, and appearance at a meeting shall constitute a waiver of notice thereof, except if a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.
- 3.15 **Electronic Meetings**. One or more members of the Board of Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications medium by which all persons participating in the meeting can communicate effectively. Such participation shall constitute presence in person at the meeting.
- 3.16 **Quorum; Voting**. The presence of the Founder Director plus an eighty percent (**80%**) **super-majority** of all other Directors shall constitute a quorum at any meeting of the Board. In the event a quorum is lost during a meeting, the meeting may proceed. Each member of the Board, including each Officer who is a member of the Board, shall be entitled to one (1) vote per member of the Board on any matter coming before the Board, except, no Director shall vote on any matter in which they have a pecuniary self-interest in any capacity other than as a Member of the Cooperative. A Director who has a pecuniary self-interest may, however, vote on such a matter if the remaining disinterested Directors ratify the vote on such matter and deem the decision to be in the best interest of the Cooperative. Any matter upon which the Board may vote shall require a **simple majority** affirmative vote of those present and voting to pass. In the event of a stalemate, deadlock, or equality of votes, the Founder Member Director is entitled to cast a tie-breaking vote. Additionally, the Founder Member shall have veto rights over all votes until over 50% of his Class C Investor Stock has been redeemed by the Cooperative.
- 3.17 **Assent to Action**. A Director is considered to have assented to an action of the Board unless:
- 3.17.1 The Director votes against it or abstains and causes the abstention to be recorded in the minutes of the meeting;

- 3.17.2 The Director objects at the beginning of the meeting and does not later vote for it;
  - 3.17.3 The Director has their dissent recorded in the minutes;
  - 3.17.4 The Director does not attend the meeting at which the vote is taken; or
  - 3.17.5 The Director gives notice of their objection in writing to the Board chair within twenty-four (24) hours after the meeting.
- 3.18 **Action without a Meeting.** Actions of the Board may be taken without a meeting if the action is agreed to by all Directors and is evidenced by one or more written consents signed, or electronically submitted via email, by all Directors and filed with the corporate records reflecting the action taken.
- 3.19 **Remuneration and Expense Reimbursement.** The Board may set the remuneration of Directors in its sole and absolute discretion. Directors may be reimbursed for actual and reasonable out of pocket expenses incurred in service to the Cooperative. Reasonable procedures for the expense reimbursement of the Directors shall be established by the Board. Notwithstanding the foregoing, Directors may be eligible for compensation arising from or as provided for in a Membership Agreement, Employment Agreement, or any other agreement governing the terms and conditions of a membership interest in the Cooperative.
- 3.20 **Committees.** The Board of Directors may, in its discretion, appoint such other committees from its own number or from the membership, as may be necessary.
- 3.21 **General Standards of Conduct for Directors and Officers.**
- 3.21.1 Each Director shall discharge their duties as a Director, including duties as a member of a committee, and each Officer with discretionary authority shall discharge their duties under that authority:
    - 3.21.1.1 In good faith and proper purpose;
    - 3.21.1.2 With the care an ordinary prudent person in a like position would exercise under similar circumstances;
    - 3.21.1.3 In a manner the Director reasonably believes to be in the best interests of the Cooperative and its Membership; and
  - 3.21.2 In discharging their duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
    - 3.21.2.1 One or more officers or employees of the Cooperative whom the Director or officer reasonably believes to be reliable and competent in the matters presented;
    - 3.21.2.2 Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence; or



3.21.2.3 In the case of a Director, a committee of the Board of Directors of which the Director is a member if the Director reasonably believes the committee merits confidence.

3.21.3 A Director or Officer is not acting in good faith if they have knowledge concerning the matter in question that makes reliance otherwise permitted by Section 3.21.2 unwarranted.

**ARTICLE IV  
DUTIES OF DIRECTORS AND MANAGEMENT**

- 4.1. **Management of Business.** The Board of Directors shall have general supervision and control of the business and the affairs of the Cooperative and shall make all rules and regulations not inconsistent with law, the Articles or with these Bylaws for the management of the business and the guidance of the Members, employees, and agents of the Cooperative. The Board shall have installed an accounting system which shall be adequate to the requirements of the business, and it shall be the duty of the Directors to require proper records to be kept of all business transactions.
- 4.2. **Employment of Chief Executive Officer and Others.** The Board of Directors may employ a Chief Executive Officer (“**Chief Executive Officer**”) who shall be a natural person, define the Chief Executive Officer’s duties, compensation and negotiate employment contracts. The Board shall authorize the employment of such auditors, agents, and counsel as it from time to time deems necessary or advisable in the interest of the Cooperative and prescribe their duties. The Board shall have general oversight and supervisory responsibility for the Chief Executive Officer’s performance and shall have the ultimate authority to hire, fire, discipline or remove the Chief Executive Officer, subject to the terms of any agreements between the Chief Executive Officer and the Cooperative or the Board.
- 4.3. **Reports of Business Activity and Finances.** The Board of Directors shall present at each regular meeting of the Members and, if appropriate, at special meetings of the Members a detailed statement or report of the business of the preceding year. The statements shall show the financial condition of the cooperative at the end of the fiscal year and shall be in a form as shall fully exhibit to the Members a complete illustration of the assets and liabilities of the Cooperative, of the cash on hand, inventory, and indebtedness and all other facts and figures pertinent to a complete understanding of the cooperative's financial position for the period.
- 4.4. **Bonds and Insurance.** The Board of Directors may require the Chief Executive Officer, if employed, and all other Officers, agents, and employees charged by the Cooperative with responsibility for the custody of any of its funds or negotiable instruments to give adequate bonds. The bonds, if required, unless cash security is given, shall be furnished by a responsible bonding company and shall be approved by the Board, and the cost thereof shall be paid by the Cooperative. The Board shall provide for the adequate insurance of the property of the Cooperative, or property which may be in possession of the Cooperative and/or Cooperative employees or stored by it and not otherwise adequately insured. The Board shall provide for adequate insurance covering liability for accidents to all employees and the public.
- 4.5. **Review of Financials.** The Board shall have the Cooperative’s financial statements reviewed at least at the end of each fiscal year and at other times as it deems necessary.

- 4.6. **Depository**. The Board shall have the power to select one or more financial institutions 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 and the form of checks or other types of electronic payments - and the person or persons by whom checks shall be signed, with the power to change banks and the person or persons signing checks and the form thereof at will.
- 4.7. **Agreements with Members**. The Board 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.
- 4.8. **Nepotism**. No immediate relative of any Director shall be regularly employed by the Cooperative, unless approved in writing by a vote of a **simple majority** of disinterested Directors. Immediate relative is defined as father, mother, brother, sister, spouse, common law domestic partner, son, daughter, son-in-law, or daughter-in-law.
- 4.9. **Management**. Under the direction of the Board, managers shall have general charge of the ordinary and usual business operations of the Cooperative. The managers shall endeavor to conduct the business in such a manner that the Members will receive just and fair treatment.

**ARTICLE V  
CAPITAL**

- 5.1. **Investments in Equity Capital**. In addition to the qualifying investments in the Cooperative pursuant to Section 1 of these Bylaws, investments in the equity capital of the Cooperative may be made by the Members qualified to share in the Cooperative's Net Margins (as defined in Section 5.3.3) by the Cooperative retaining portions of the Members' allocated shares of net margins as provided in these Bylaws. In addition, or as an alternative, the Board may require, by majority vote, that Members make additional or supplemental capital contributions to the Cooperative on a percentage or other basis established in a written policy of the Board furnished to each Member or in any applicable membership or other agreement.
- 5.2. **Notice of Records**. All allocated shares of the Cooperative's Net Margins shall be deemed capital contributions in the Cooperative without any further action by the Cooperative other than the giving to the appropriate recipient a written notice of allocation (as defined in 26 U.S.C. 1388). The Cooperative shall keep appropriate books and records showing the capital contribution by each Member in each year. The Cooperative may, but shall not be required to, issue such additional evidence of capital contribution in the Cooperative as the Board may prescribe.
- 5.3. **Computation of Net Margins**. The Cooperative's Net Margins, calculated upon the basis of each fiscal year, shall be computed as follows:
- 5.3.1. ***Gross Receipts***. All proceeds resulting from member dues, if any, income from non-members, revenue resulting from the ordinary course of the Cooperative's operating activities, plus all sums received from all other sources, except loans and contributions to this Cooperative and investments in its capital, shall be deemed to be "**Gross Receipts**."
- 5.3.2. ***Deductions from Gross Receipts***. This Cooperative shall deduct from the Gross Receipts the following items in the order set out below:
- 5.3.2.1. ***Lawful Exclusions and Deductions***. All costs and expenses and other charges which are lawfully excludable or deductible from this Cooperative's Gross Receipts for the purpose of determining the amount of any Net Margins of this Cooperative.
- 5.3.2.2. ***Reserves***. The Board may establish amounts for reasonable and necessary reserves for bad debts, contingent losses, working capital, debt retirement, buildings and equipment, and membership equity retirement ("**Reserves**"). Unless allocated among the Members entitled to share in allocations of the Cooperative's Net Margins, (a) the Cooperative shall include the amounts credited to the Reserves in

computing its taxable income, (b) the tax liability thereon shall be deducted from Net Margins, and (c) no member or other person entitled to share in the allocation of the Net Margins shall have any right or interest at any time in or to the Reserves of the Cooperative, except upon dissolution when the entire Reserve funds of the Cooperative shall be distributed in accordance with the law and these Bylaws.

5.3.2.3. *Non-Member Patronage.* Business done for persons who are not Members or otherwise qualified to share in allocations of Net Margins or otherwise derived from non-patronage related sources (“**Non-Member Patronage**”) results in income to the Cooperative that is taxable. However, after deduction of any tax liability, the profits from Non-Member Patronage may be included in Net Margins or may be retained as property of the Cooperative in a surplus fund to be used as additional working capital or for such other purposes as may be determined by the Board. This surplus fund shall be distributed only upon dissolution of the Cooperative and no Member shall at any time have any right or interest in or to the surplus fund, except on dissolution.

5.3.3. *Cooperative's Net Margins.* The balance of said Gross Receipts which remains after the deductions set out in Section 5.3.2 shall be deemed to be the “**Net Margins**” which term shall encompass net margins of Members entitled to share in the allocation of net margins of the Cooperative. A new Member's allocation of the Net Margins for the year in which it became a Member shall be based on the relationship of the Member's Patronage Activity (as defined in Section 5.3.5.2) after it became a Member to the total Patronage Activity of all Patron Members for that year.

5.3.4. *Losses.*

5.3.4.1. In the event the Cooperative sustains a loss in any manner for any period resulting from, among other things, operations, casualty, revaluation of assets, or otherwise with respect to the Cooperative as a whole or from a particular segment of the Cooperative's operations, the Board shall determine the manner in which the loss shall be taken into account for accounting, taxation, or any other purposes; provided that in making its determination the Board of Directors shall take into account all applicable facts and circumstances and account for the loss on a basis which is fair and equitable to all Members in the Cooperative. In making its determination the Board may authorize actions including, but not limited to:

- 5.3.4.1.1. allocating the loss on an equitable basis to some or all of the Members of the Cooperative by debiting equity account balances, by charging Members directly, or by charging Members using non-qualified notices of allocation;
  - 5.3.4.1.2. carrying the loss back or forward to offset earnings of the Cooperative or particular segments of its operations in prior or future years;
  - 5.3.4.1.3. canceling or debiting any or all outstanding equity account balances shown on the books of the Cooperative; or
  - 5.3.4.1.4. charging the loss against appropriate reserve or surplus accounts.
- 5.3.4.2. The Board may, but shall not be required to, submit a recommendation as to apportionment and allocation of any loss to a vote of the Members at a meeting of the Members duly called and properly held. A vote of a **simple majority** of the Members present or voting by mail or by email at such a meeting shall be binding upon all the Members entitled to share in allocations of the Net Margins. To the maximum extent provided by law, no Member shall be liable for the debts of the Cooperative in an amount exceeding their/its Membership Share and any equity capital invested in the Cooperative.

**5.3.5. *Allocation of Patronage Dividends.***

- 5.3.5.1. The Net Margins shall be received by the Cooperative, belong to, and be held by the Cooperative for all its Members qualified to share in allocations of the Cooperative's Net Margins. Each Member's respective allocated share of the Net Margins may be computed as determined by the Board upon the basis of each Member's respective Patronage Activity (as defined in Section 5.3.5.2); provided, however, that if any amount which would otherwise be allocated to any Member is less than ten dollars (\$10.00), it may be credited by the Board of Directors to a surplus fund after deducting appropriate tax liabilities and need not be allocated to or among the Members. Such allocation shall happen at the close of each fiscal year or as periodically as the Board shall determine.
- 5.3.5.2. “**Patronage Activity**” shall mean the aggregate value of the Cooperative's goods and services purchased from or contributed by each Patron Member during the applicable fiscal period. The Board shall have the authority to develop, review, and revise the methodology by which to calculate the Cooperative's aggregate

Patronage Activity and each Patron Member's respective allocable share of Patronage Activity. Each Patron Member's allocable share of the Cooperative's Net Margin and Net Losses shall be made according to each Member's relative share of the aggregate Patronage Activity.

- 5.3.6. ***Qualified and Nonqualified Allocations.*** Allocations of the Net Margins in accordance with this Article may be made in the form of qualified written notices of allocation or nonqualified written notices of allocation as determined by the Board of Directors.
- 5.3.7. ***Qualified Notice of Allocation, Payment and Reinvestment.*** If the Cooperative pays any portion of an allocation of the Net Margins by a qualified written notice of allocation, the Board shall authorize at such time as it may determine, but in no event later than the fifteenth (15<sup>th</sup>) day of the ninth (9<sup>th</sup>) month following the end of the Cooperative's fiscal year, the Cooperative to pay in cash to each Patron Member qualified to share in allocations of Net Margins an amount as determined by the Board of at least twenty percent (20%) of the Member's allocated share of Net Margins and the balance of their allocated share of Net Margins shall be credited to the appropriate capital account of the Member on the books and records of the cooperative. The credit shall be deemed a payment to the Member and a reinvestment by the Member in the equity capital of the Cooperative. The Cooperative shall within eight and one-half (8-1/2) months after the close of its fiscal year notify each Member in the form of a qualified written notice of allocation (as defined in 26 U.S.C. 1388) of said Member's total allocation of Net Margins including the cash portion as well as the amount credited to said Member's capital account. Each recipient shall treat said Member's total allocation in the manner prescribed by Section 1.14 of these Bylaws and any applicable tax laws, regulations, and private letter rulings.
- 5.3.8. ***Dividends to Investor Members.*** Dividends on shares of Preferred Stock may be declared at the discretion of the Board, and, if so declared, such dividends will be paid from Reserves. The Board shall have the power to negotiate and set forth the terms and conditions relating to the declaration or distribution of dividends on the Preferred Stock, which shall be set forth in definitive investment documents or any other agreement governing the terms of purchasing and holding the Cooperative's preferred stock. Shares of Preferred Stock shall be entitled to priority with respect to the declaration of dividends, relative to the declaration of Patronage Dividends, as prescribed in Section 5.3.5 these Bylaws.
- 5.4. **Lien.** To secure the payment of all indebtedness of any Member to this Cooperative, this Cooperative shall have perfected security interest and a first lien on the capital investments, net margins, and other property rights and interests, if any, in the Cooperative of such Member. As one means of enforcing its lien, the Cooperative shall be entitled to offset at any time, at the sole discretion of the Board of Directors, any debt of a Member person to the Cooperative with a corresponding amount of the Member's

capital investments, net margins and other property rights and interests, if any, in the Cooperative. Each Member by joining and patronizing the Cooperative shall be deemed to have agreed to sign any instrument necessary to evidence and perfect the lien and security interest provided for in this Section.

5.5. **No Offsets.** No Member qualified to share in allocations of Cooperative's net margins shall be entitled to demand offset of any portion of such person's allocated share of net margins retained by the Cooperative against any indebtedness or claim due the Cooperative from such person.

5.6. **Equity Redemption.**

5.6.1. No acquisition, recall, distribution, or redemption of equity capital in the Cooperative shall be made, required, or effected, if the result of it would be to render the Cooperative unable to pay its debts as they become due in the usual course of business or cause the remaining assets of the Cooperative to be less than its liabilities plus the amount necessary to satisfy the interests of the holders of securities or other equity capital preferential to those receiving the distribution if the Cooperative were to be dissolved at the time of the distribution. Provided that the financial condition of the Cooperative will not be impaired, the Board, in its sole discretion and subject to the approval of the Cooperative's secured creditors having the right to approve equity redemptions or retirements, and the application of the Uniform Limited Cooperative Association Act, may, but shall not be obligated to, authorize the redemption of any equity capital in the Cooperative at any time when a Member owning equity capital in the Cooperative shall (1) die, (2) if a non-natural person liquidates its business affairs and intend to dissolve, (3) withdraw or be terminated from the Cooperative as provided in these Bylaws, or (4) for other reasons as provided in an equity retirement policy adopted by the Board. Each class of equity capital and all persons in each of the above classifications shall be treated similarly with their respective class or classification. The Board may, in its discretion, issue to the Member interest bearing certificates of indebtedness in substitution and exchange for the equity capital of a Member, which may be subject to redemption.

5.6.2. If (i) payments to persons entitled to repayment under an equity retirement policy developed by the Board of Directors under the immediately preceding paragraph (a) shall have been made or adequate provision made therefor, (ii) the Cooperative has obtained, if required, the approval of the Cooperative's secured creditors, and (iii) the Board of Directors shall have determined the total amount of Members' investments in equity capital shall exceed the amount reasonably needed by the Cooperative, the Board may at its discretion retire a percentage of the equity capital in the Cooperative which the Board has determined is not needed. The percentage shall be paid to every holder of equity capital equitably among all on



the same percentage basis of their total investments in equity capital regardless of when such investment was made, except that no equity capital shall be repaid under this plan until said Member shall have invested at least \$20 in equity capital.

- 5.6.3. When a Member separates from the Cooperative, whether through voluntary withdrawal, expulsion or death, the Cooperative shall redeem the Member's capital account pursuant to policies adopted by the Board, which policies may be revised from time to time in the sole discretion of the Board of Directors.
- 5.6.4. No Member entitled to share in the allocation of the Net Margins shall have any right or interest at any time in or to any reserve fund, surplus accounts, or equity capital allocated in the form of non-qualified written notices of allocation, except upon dissolution of the Cooperative when any such reserve fund, surplus account, or equity capital shall be distributed in accordance with these Bylaws, as otherwise provided by law or as the Directors may otherwise determine.
- 5.6.5. In connection with or in addition to the foregoing, the Board may establish policies and practices for the redemption of equity capital based upon the recognition of difference in the character and liquidity of assets held by the Cooperative and the resulting impact on availability of funds for equity redemption.
- 5.7. **Borrowed Capital**. This Cooperative may borrow additional capital from Members or any other person or source as permitted by law. It may issue notes or certificates of indebtedness for amounts of borrowed money with such terms and conditions as determined by the Board of Directors.
- 5.8. **Commingling of Capital; No Interest**. Investments in equity capital need not be segregated from, and may be invested in, or commingled with, any other assets of the Cooperative. Unless provided otherwise in these Bylaws, no dividend, interest, or any other income shall be declared or paid on account of any capital stock or other equity capital in the Cooperative owned by a Member or other investor.

**ARTICLE VI**  
**DISSOLUTION; LIQUIDATION; COOPERATIVE SALE; WINDING UP**

Upon the dissolution, liquidation, sale of the Cooperative, or sale of all or substantially all of the Cooperative's assets, the debts and liabilities of the Cooperative shall first be paid according to their respective priorities, as defined by law or by agreement. Any property or proceeds remaining after discharging the debts and liabilities of the Cooperative shall be distributed to the Members in accordance with the following priorities to the extent funds are available therefor, payments within each priority to be made on a pro-rata, *pari passu* basis without regard to time of investment:

- 6.1. First, to the Class C Investor Members, to the extent of any declared but un-distributed dividends, plus an amount equal to the original purchase price of Class C Preferred Stock; and then
- 6.2. Second, to the Class A Founder Member an amount equal to the original purchase price paid for all outstanding shares of Class A Founder Stock; and then
- 6.3. Third, to the Class B Employee Members an amount equal to the original purchase price of Class B Employee Stock; and then
- 6.4. Finally, 50% (fifty) of the remainder to the Patron Members in an amount equal to the proportionate balance of each Patron Member's capital account balance as if made prior to the distributions in Sections 6.1, 6.2, and 6.3, and 50% (fifty percent) to one or more charitable organizations, selected by the Board.

## **ARTICLE VII UNCLAIMED MONEY**

This ARTICLE VII shall apply to any attempted distribution of or demand for funds held by the Cooperative in a Member's Account or owed to the Member by the Cooperative, (i) for which the Member or another person entitled to payment (ii) has made a demand for payment against the Cooperative (a "**Money Claim**"), (iii) the Cooperative has attempted to pay, paid, or is paying generally Money Claims arising under similar circumstances, but (iv) payment of the Money Claim cannot be made because the Cooperative cannot locate the person entitled to payment. If the Money Claim is not made in writing within a period of three (3) years after giving written notice, it shall be removed as a liability on the books of the Cooperative and the Money Claim shall be extinguished. No removal shall be made, and the Money Claim shall not be extinguished, unless the Cooperative has sent a written notice of eligibility for payment to the person appearing on the Cooperative's records as entitled to payment. Any and all amounts recovered by the Cooperative pursuant to this ARTICLE VII, after deducting therefrom the amount of any taxes payable thereon, shall be placed in a reserve or surplus account established previously or hereafter by the Cooperative.

**ARTICLE VIII  
FISCAL YEAR**

The fiscal year of this Cooperative shall commence on January 1 each year and shall end on the following December 31.

**ARTICLE IX  
MERGER, SALE, CONSOLIDATION, OR  
SHARE OR EQUITY CAPITAL EXCHANGE**

- 9.1. **Board and Member Approval of Merger, Sale, Dissolution, Consolidation, or Share or Equity Capital Exchange.** Except as otherwise provided in Section 9.2, if the Cooperative is a party to a plan of merger, sale of all or substantially all of the Cooperative's assets, consolidation, dissolution, or share or equity capital exchange, such plan shall first be approved by an **eighty percent (80%) vote** of all the Directors on the Board and then approved by an **eighty percent (80%) vote** of the Members eligible to vote, whether present and voting in person or voting by mail, email, or other permitted electronic means. The provisions of ARTICLE VI shall apply to any proceeds which may result from such merger, sale of all or substantially all of the Cooperative's assets, consolidation, dissolution, or share or equity capital exchange.
- 9.2. **Merger of Cooperative Subsidiary.** The Board of Directors may approve, in its discretion, by an affirmative **eighty percent (80%) vote** and without further membership approval or consent, a plan of merger of a subsidiary of the Cooperative into the Cooperative if the Cooperative owns one hundred percent (100%) of the voting shares, memberships, or interests in the subsidiary and the Cooperative has the right to vote on behalf of the subsidiary; except, that if, as a result of the merger, the voting shares, memberships or other interests of the members of the Cooperative would be materially altered, then the Members shall have the right to vote on the plan of merger in a manner consistent with the provisions of Section 9.1.

## ARTICLE X AMENDMENTS

Amendments to these Bylaws or to the Articles of Incorporation may be accomplished by either one of the following methods:

- 10.1 **Board Amendment**. Amendments to these Bylaws or the Articles shall be proposed and approved by an **80% (eighty percent) vote** of all Directors on the Board, provided that additional approval of the voting Members present at a meeting of the voting Members properly called pursuant to ARTICLE II of these Bylaws shall be required for any amendment of the Articles of Incorporation and any amendment of the Bylaws that modifies:
  - 10.1.1 The equity capital structure of the Cooperative, including the rights of the Members to share in profits or distributions, or the relative rights, preferences, and restrictions granted to or imposed upon one or more classes, or voting groups of similarly situated Members;
  - 10.1.2 The transferability of a member's interest;
  - 10.1.3 The manner or method of allocation of profits or losses among Members; or
  - 10.1.4 The quorum for a meeting and the rights of voting and governance.
  
- 10.2 **Member Approved Amendment**. If an amendment to the Articles or Bylaws requires Member approval pursuant to Section 10.1 above, or if upon presentment of a petition presented to the Secretary or to the Board, and signed by **50% (fifty percent)** of the Patron Members, an amendment to these Bylaws shall become effective as follows: If notice of the character of a proposed amendment required by law or properly presented to the Board by petition from the Members has been given in the notice of a meeting, the Articles of Incorporation or these Bylaws may be altered or amended at any regular or special meeting of the Members by the affirmative vote of **eighty percent (80%) vote** of the Members present, or voting by mail or email, and by the affirmative vote of **eighty percent (80%) vote** of all Directors on the Board , provided the Members so voting have received the exact wording of the amendments.

**ARTICLE XI**  
**DISTRIBUTION OF BYLAWS**

After adoption of these Bylaws or an amendment, a copy of these Bylaws or the amendment, as the case may be, shall be provided to each Member and other person qualified to share in the Cooperative's Net Margins and to each person who later becomes a Member or person qualified to share in the Cooperative's Net Margins as shown on the books of record of the Cooperative.

**ARTICLE XII**  
**RIGHT TO INFORMATION; CONFIDENTIALITY**

- 12.1. The Cooperative shall maintain in record available at its principal office such information as is required by law. The Cooperative may maintain additional information in record but shall not be required to make the same available unless required by law. The Cooperative strives to balance the privacy interest of its Members with the right to access information by the same. The Cooperative shall entertain requests for information by members and former members in accordance with applicable law. A member or former member making a valid request for information under this section and subject to applicable law, shall be solely responsible for paying or reimbursing the Cooperative for the reasonable costs associated with copying documents, including and limited to the cost of equipment, labor and materials.
- 12.2. Without limiting the generality of the foregoing, Members and former Members, shall at all times maintain in strict confidence and promise to not disclose any person or entity not otherwise entitled to receive such information any and all information received by or through the Cooperative, pertaining to the records of the Cooperative, its Members, and the operations, activities or transactions of the same. Each Member and former Member, whether receiving information consequent to a valid request for information under this section, or through its activities with or through the Cooperative, shall further ensure that any information transmitted or communicated to an attorney or other agent of such Member, shall be kept in confidence to the same degree and extent as the Member or former Member is or would be bound by this section. All membership information, fee schedules, financial information, correspondence and all other Cooperative documents and information furnished to the Member by the Cooperative will be kept in strict confidence.



**ARTICLE XIII**  
**NOTICES**

Unless specified otherwise, all notices and other communications given or made pursuant to these Bylaws shall be in writing and shall be deemed effectively delivered: (a) when hand delivered, upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail if sent during normal business hours of the recipient, and if not so confirmed or when sent by electronic mail not requiring confirmation, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

**ARTICLE XIV**  
**MISCELLANEOUS**

The gender-neutral pronoun “they/them/their” is used throughout these Bylaws and shall be deemed to include all genders. Words used in these Bylaws in the singular shall be deemed to include the plural and vice versa unless a different meaning is plainly required by the context. The headings and subheadings and the division into articles and sections is for convenience of reference only and are not to be used in construing this instrument or any provision thereof.

\* \* \* \* \*

**AMENDMENT I**  
**10% Profits Donated to Charity**

Just as taxes and bonuses will be subtracted from profits before allocating dividends to any shareholders, 10% of company profits will also be subtracted from profits to be donated to charity.

**SCHEDULE 1**  
**Stock Price + Member Dues**

<b>MEMBERSHIP CLASS</b>	<b>STOCK PRICE</b>	
FOUNDER MEMBER	\$10,000	
EMPLOYEE MEMBER	\$10,000	
INVESTOR MEMBERS	TBD	

## CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of twenty-four (24) pages plus one page of Schedule 1 (and excluding this page) constitute the Bylaws of PixelSpoke, LCA adopted by the Board of Directors of the Cooperative as of November 12, 2019.

Adopted:

A handwritten signature in black ink that reads "Cameron Madill". The signature is written in a cursive, slightly slanted style.

Founder Member and Director: Cameron Madill