

**BYLAWS
OF
J.O.A.T. CO-OP**

ARTICLE I: NAME AND PURPOSES

A. Name

The name of the association is J.O.A.T. Cooperative, hereinafter called “the co-op.” It is organized under the Colorado Cooperative Act under Article 56.

B. Purpose

The purpose of the co-op is to create a flexible, collaborative, and community-serving organization in which Members can share resources, support one another, and strengthen the local community. The co-op’s purpose is also to create and maintain sustainable jobs and generate wealth, in order to improve the quality of life of the members, dignify human work, allow workers’ democratic self-management and promote community and local development. The co-op is organized as a multi-stakeholder cooperative.

C. Cooperative Values and Principles

This cooperative subscribes to the Statement on Cooperative Identity adopted by the Congress and General Assembly of the International Cooperative Alliance held in Manchester, England in 1995. The full text of the statement is given in **Appendix A**.

D. Guiding Principles

The Co-op shall operate on a zero-equity, pass-through basis in its early stages. It will not retain surplus or equity beyond the end of each fiscal year. As the Cooperative grows, the Members may choose to amend these bylaws to create equity accounts, allocations, distributions, or other structures as needed.

ARTICLE II: NOTICE

A. The *time a notice is given or sent* -

- 1) By Mail: time written notice is deposited in the U.S. mails, postage prepaid;
- 2) Personal Delivery: time written notice is personally delivered to recipient or to a common carrier for transmission;
- 3) By Electronic Means: time written notice is actually transmitted;
- 4) Oral Notice: time oral notice is communicated, in person or by telephone or wireless, to the recipient or recipient's representative.

B. Waiver of Notice. The transactions of any meeting of members, directors, officers and/or committee members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present, and if, either before or after the meeting, each of the persons entitled to vote, not present in person, provides a waiver of notice or consent to the holding of the meeting or an approval of the minutes thereof in writing. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any meeting need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes thereof.

C. Consent to Electronic Transmission. All members, by submitting a J.O.A.T. membership application, thereby irrevocably consents to the use of electronic transmission for communications (and should be notified as such before applications are submitted). All such communications should be capable of retention, retrieval, review, and rendered into a clearly legible, tangible form.

D. Conflict of Interest.

- 1) Disclosure Required: Any director, officer, or member who has a financial interest in a matter before the co-op must fully disclose that interest to the board or membership before discussion or action.
- 2) Recusal: The interested person may participate in discussion only to provide relevant information but shall not vote on the matter.
- 3) Approval Standard: Any transaction or contract involving a conflict of interest must be approved by a majority of disinterested directors or members, and the approval must be recorded in the minutes.
- 4) Good Faith: All decisions regarding potential conflicts must be made in good faith and in the best interests of the co-op.

ARTICLE III: MEETINGS OF MEMBERS, DIRECTORS, OFFICERS AND COMMITTEES

A. Quorum.

1. A majority of the body (members/directors/officers) shall constitute a quorum.

2. If a quorum is present, the affirmative vote of the majority of the body entitled to vote constitutes an act of the body (unless the articles of incorporation or bylaws say otherwise).
3. Those present at a duly called/held meeting where a quorum is present may continue to transact business until adjournment.
4. In the absence of a quorum, any meeting may be adjourned from time to time by a majority of the votes, but no other business may be transacted.

B. Meeting Participation via Electronic Means. Members/directors/officers not physically present in person at a meeting may, by electronic transmission, participate in a meeting, be deemed present in person, and vote at a meeting, provided that participants have a reasonable opportunity to participate and vote on matters submitted, including an opportunity to read or hear the proceedings concurrently with those proceedings, and a record of any vote or action of any members participating by electronic transmission is maintained by the co-op.

C. Voting. The vote of a majority of the members/directors/officers present at a duly called and noticed meeting at which a quorum is present is the act of the body (unless the Articles of Incorporation or Bylaws dictate otherwise).

D. Adjournment. A majority of the members/directors/officers present, whether or not a quorum is present, may adjourn any meeting to another time and place.

ARTICLE IV: MEMBERS

A. Classification of Members

The co-op shall have one (1) class of members. Each Member shall have equal rights and responsibilities as provided in these bylaws, regardless of their participation in different co-op activities.

B. Membership Qualifications

1. A natural person may become a member of this association by:
 - a. Being a resident of Colorado;
 - b. Making payment of the initial capital contribution as prescribed by the board of directors;
 - c. Working six months for the co-op (the “Candidacy Period”);
 - d. Being voted in, as set forth in **Section IV(C)**, by the existing members following the Candidacy Period; and

- e. Receiving a copy of the co-op's Policies & Procedures, Bylaws, and a receipt.

C. Acceptance of Members

1. The members shall decide whether to accept an application for membership. If an application is not accepted, the applicant's employment shall be immediately terminated. Upon acceptance of an application, the applicant shall immediately become a member.

2. The co-op may waive the probationary period and accept a member immediately by the affirmative vote of all the members.

D. Candidacy Period

Persons being considered for membership during the Candidacy Period can attend meetings with membership majority approval, but may not speak or vote at meetings.

E. Member Resignation

A member shall have the right to resign as a member by filing with the secretary of the co-op a written notice of resignation. Resignation will not relieve the resigning member from any obligations to the co-op, which the co-op can enforce or seek damages for breach.

F. Removal of Members

1. A member may, for any lawful reason, be expelled from the co-op by a vote of two-thirds or greater of the members at a duly called meeting at which a quorum is present with 15 days' prior notice that includes the reasons therefore. The member shall have an opportunity to be heard not less than five (5) days before the effective date of an expulsion, suspension, or termination. Expulsions should not be arbitrary.

2. The co-op may direct a member whose expulsion is being considered to refrain from conducting business as a member until the expulsion decision is made and may also direct such a member to stay away from the co-op's places of business except as necessary to exercise her or his rights under law.

ARTICLE IV: MEMBER MEETINGS

A. Distinction between Membership and Board Meetings

1. Until such time as there are more than three members, all members of the co-op shall serve on the board of directors and no person other than the members of the co-op shall serve on the board of directors. Any meeting of the members at which attendees neglect to specify whether they are meeting as members or as directors shall be considered a board meeting. All corporate decisions shall be made by the board of directors, except that the following acts require voting as members:

- a. Acceptance of members,
- b. Election of directors (in the event that elections are required),
- c. Bylaw changes that would
 - i. Materially and adversely affect the rights or obligations of members as to voting, dissolution, redemption, transfer, distributions, patronage distributions, patronage, property rights, or rights to repayment of contributed capital;
 - ii. Increase or decrease the number of members authorized in total or for any class;
 - iii. Effect an exchange, reclassification, or cancellation of all or part of the co-op's memberships;
 - iv. Authorize a new class of membership;
 - v. Specify or change the maximum or minimum number of directors or change from a variable number of board members to a fixed number;
 - vi. Increase the terms of directors; and
 - vii. Increase quorum for meetings.

B. Member Voting

1. "Approval by (or approval of) a majority of all members" - approval by an affirmative vote of a majority of votes entitled to be cast.
2. "Approval by (or approval of) the members" - approval by the affirmative vote of a majority of members at a duly held meeting where a quorum is present (which affirmative votes also constitute a majority of required quorum).
3. The voting power of the members is equal.
4. Whenever members are disqualified from voting on any matter, they shall not be counted for the determination of a quorum or the required vote to approve an action.
5. No voting by proxy.
6. No cumulative voting.

C. Annual Meeting

1. Held on the first Thursday in November where and when the board determines and as communicated to all members. (If the day fixed falls on a legal holiday, the meeting will be held at the same time and place on the following business day.)

2. Elections of directors (in the event that elections are required) will be held at the annual meeting. Any other proper business may be transacted at the meeting.

3. Notice: 30-60 days prior to the date of the meeting.

D. Special Meetings

1. The Board, the president, or 10 percent (10%) or more of the members can call special meetings of members for any lawful purpose.

2. Notice: 7-60 days prior to the date of the meeting.

E. Emergency Meetings

1. Board Chairperson declares an emergency.

2. Notice: at least forty-eight (48) hours prior to the meeting. Neither the business to be transacted nor the purpose of the meeting need be specified in the notice. Notice may be waived.

F. Notice

1. Regular meeting:

a. written notice 10-90 days prior to the meeting to each member who currently is entitled to vote thereat; notice should include the following:

i. place, date, time of the meeting, and the means of electronic transmission;

ii. those matters which the board, at the time the notice is given, intends to present for action;

iii. names of any & all directors who are current nominees.

2. Special meeting: Notice should include the general nature of the business to be transacted; no other business may be transacted.

3. Notwithstanding the foregoing, approval of the members of any of the following, other than unanimous approval by those entitled to vote, shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice:

1. Removal of directors;

2. Election of a director to fill a vacancy;
3. Approval of a contract or other transaction between the co-op and one or more of its directors, or between a association and any corporation, firm, or association in which one or more of its directors has a material financial interest or is a director (conflict of interest);
4. Amendment of the articles of incorporation;
5. Approval of a plan of distribution upon winding up of the co-op.

G. Adjourned Meetings

When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken and that date is no more than 45 days from the original meeting date. At the adjourned meeting, the co-op may transact any business which might have been transacted at the original meeting.

H. Written Ballot

1. The Board can authorize and distribute written ballots prior to any regular or special meeting of members entitled to vote.
2. The ballot should include:
 - a. The action proposed;
 - b. Provide for member approval/disapproval;
 - c. Should state that, unless revoked, the ballot will be counted if received by the co-op on or before the time of the meeting;
 - d. The number of responses needed to meet the quorum requirement;
 - e. The time by which the ballot must be received in order to be counted;
 - f. With respect to ballots other than for the election of directors, state the percentage of approvals necessary to pass the measure submitted;
3. The number of members voting at the meeting by (unrevoked) written ballots are deemed "present" at the meeting for purposes of determining the existence of a quorum, but only with respect to the proposed action described in the ballots.
4. Approval pursuant to this section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of

votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

5. The secretary shall cause a vote to be taken by written ballot upon any action or recommendation proposed in writing by 20 percent (20%) of the members of the co-op.

6. Written ballots may be distributed for the election of directors.

I. Action Without a Meeting (via Written Ballot). Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the co-op distributes a written ballot to every member entitled to vote on the matter. (See H. above)

ARTICLE V: DIRECTORS

A. Number of Directors

1. Until there are more than three members, all members of the co-op shall serve on the board of directors and no person other than the members of the co-op shall serve on the board of directors.

2. The number of directors cannot be not less than three or more than seven with the exact number of directors to be fixed, within the limits specified, by approval of the members. If there are fewer than three members, the member(s) shall appoint the minimum required number of directors to bring the total number of directors to at least three.

3. Should the number of members ever exceed three, the members shall immediately meet to amend the bylaws to require that the board be elected from among the members.

B. Director Terms of Office

1. Term of office: one (1) year

2. Each director, if elected rather than holding office by virtue of being a member, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

3. Notwithstanding the foregoing, a person whose membership is terminated shall immediately cease to be a director of the co-op.

C. Notice of Board Meetings

1. Regular meetings: Determined by a resolution adopted by the Board and communicated to all directors, subject to all provisions for notice or waiver of notice as provided in these Bylaws.

2. Special meetings: four days' notice;

3. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

D. Adjournment

If a 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.

E. Action By Written Consent

1. Any action required or permitted to be taken by the board may be taken without a meeting, if all members of the board individually or collectively consent in writing to such action. Such written consent(s) shall be filed with the minutes of the proceedings of the board.

2. The action by written consent shall have the same force and effect as a unanimous vote of the directors.

F. Board Vacancies

1. Given that all members constitute the board, vacancies will not occur on the board. Therefore, this section applies only if the provision requiring that all members constitute the board is amended to provide for election of directors.

2. “Vacancy” when used with respect to the board means any authorized position of director which is not then filled, whether the vacancy is caused by death, resignation, removal, change in the number of directors authorized in the articles of incorporation or bylaws (by the board or the members), or otherwise.

3. The board may declare vacant the office of a director whose eligibility for election as a director has ceased, or who has been declared of unsound mind by a final order of court, or convicted of a felony.

4. Except for a vacancy created by the removal of a director, vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (a) the unanimous written consent of the directors then in office, (b) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice, or (c) a sole remaining director.

5. Vacancies occurring on the board by reason of the removal of directors may be filled only by approval of the members.

6. The members may elect a director at any time to fill any vacancy not filled by the directors.

G. Resignation

So long as all members constitute the board, the only way that a director may resign is by ceasing to be a member. Should this provision be amended, any director may resign effective upon giving written notice to the president, the secretary, or the board of directors of the co-op, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

H. Removal

1. So long as all members constitute the board, directors may not be removed except if they cease to be members. Should this provision be amended, any or all directors may be removed without cause if the removal is approved by a majority of all 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.

ARTICLE VI: COMMITTEES

A. The board may, by resolution adopted by a majority, create one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by a majority vote of the directors. The board may appoint one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board or in the bylaws, shall have all the authority of the board, except with respect to:

1. Approval of any action that requires approval of the members,
2. Filling vacancies on the board or in any committee that has the authority of the board,
3. Amendment or repeal of bylaws or adoption of new bylaws,
4. Amendment or repeal of any board resolution which, by its express terms, is not amendable or repealable,
5. Appointment of board committees or the members thereof, and
6. Spending corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

ARTICLE VII: PROCESS OF DECISION MAKING FOR ALL MEETINGS

Matters will be discussed with the goal of seeking decision-making by consensus. If it becomes apparent that consensus cannot be reached on any matter, the members will vote on whether the issue should be tabled for future discussion and decision. If a decision cannot be made by consensus, the members shall vote on the matter, with a two-thirds vote required to carry any decision, except as otherwise provided in these bylaws.

ARTICLE VIII: OFFICERS

A. Offices

The co-op shall have a president, a secretary, a treasurer, and such other officers as the board will determine.

B. Qualifications

1. Any number of offices may be held by the same person, except the offices of president and secretary.
2. The officers will be elected from among the board members.

C. Appointment of Officers

1. Term: one year
2. Election: at the annual meeting by written ballot. The candidate receiving the highest number of votes for an office shall be elected.
3. Removal: by a majority vote of the board.

D. Resignation

Any officer can resign at any time upon written notice to the co-op without prejudice to the rights, if any, of the co-op under any contract to which the officer is a party.

E. Vacancy

A vacancy in any office resulting from an officer's death, resignation, removal, or disqualification, or from any other cause, will be filled by the board.

F. Duties of President

The president will preside at board and membership meetings as Chairperson and exercise and perform other powers and duties as may be assigned from time to time by the board.

G. Duties of Secretary

1. Keep a book of minutes of all meetings and actions of the members, board and board committees.
2. Keep the records of the co-op required to be kept as described in these bylaws.

3. Give notice of all members' meetings, board meetings, and meetings of board committees where notice is required (by statute/bylaws). If the secretary or their representative fails to give notice, notice of any meeting may be given by any other officer of the co-op.

4. The secretary will have such other powers and perform other duties as directed by the board or the bylaws.

H. Duties of Treasurer

1. The treasurer will keep adequate and correct books, records of accounts of association properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares.

2. The treasurer will (a) deposit corporate funds and other valuables in the co-op's name and to its credit as directed by the board; (b) make disbursements of corporate funds as authorized by the board; (c) render a statement of the co-op's financial condition and an account of all transactions conducted as treasurer whenever requested by the president or the board; and (d) have other powers and perform other duties as prescribed by the board or the bylaws.

3. The treasurer will be deemed to be the treasurer for purposes of giving any reports or executing any certificates or other documents.

ARTICLE IX: ALLOCATIONS AND DISTRIBUTIONS

A. Fiscal Year

The fiscal year of the co-op shall end on the last day of December of each year.

B. Zero-equity Cooperative

As this co-op will start small and build membership over time, it will initially operate as a zero-equity cooperative, which means it is used by members as a pass-through organization; the cooperative will not hold onto any surplus funds beyond the fiscal year. The cooperative, as a whole, can, with approval by a majority of members, levy monthly membership fees to cover any collective approved expenses, to be shared equally among all members, as well as for one-off expenses. The co-op may later create equity accounts, reserves or distributions, subject to amendment of the bylaws, if growth requires.

ARTICLE X: CHECKS, CONTRACTS, AND FINANCIAL POLICIES

A. Authorized Signatories for Checks

All checks, drafts, other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the co-op will be signed or endorsed by the person/persons in the manner authorized from time to time by resolution of the board of directors.

B. Executing Corporate Contracts and Instruments

The board of directors by resolution may authorize any officer, officers, agent, or agents to enter into any contract or to execute any instrument in the name of and on behalf of the co-op. This authority may be general or it may be confined to one or more specific matters. No officer, agent, employee, or other person purporting to act on behalf of the co-op will have any power or authority to bind the co-op in any way, to pledge the co-op's credit, or to render the co-op liable for any purpose or in any amount, unless that person was acting with authority granted by the board of directors as provided in these bylaws, or unless an unauthorized act was later ratified by the co-op.

XI: TRANSFER OF MEMBERSHIPS

No member may transfer her or his membership or any right arising therefrom. Any attempted assignment or transfer shall be wholly void and shall confer no rights on the intended assignee or transferee. All rights as a member of the co-op cease upon the member's death.

ARTICLE XII: RECORDS

A. Records Required to Be Kept

1. The co-op shall keep at its registered office:
 - a. the original or a copy of its articles of incorporation and bylaws as amended to date;
 - b. adequate and correct books and records of account;
 - c. minutes of the proceedings of its members, board, and committees of the board;
 - d. a record of its members giving their names and addresses, and investment qualifying members to vote;
 - e. list of names & addresses of directors & officers;
 - f. copy of most recent periodic report; and
 - g. all financial statements prepared for periods ending during last fiscal year.
2. 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.

B. Inspection Rights

1. The co-op's bylaws and articles of incorporation shall be open to inspection by the members at all reasonable times during typical office hours with reasonable prior notice.

2. Any such inspection may be made in person or 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 co-op 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 co-op.

C. Annual Report

So long as the co-op does not have more than 25 members at any time during the fiscal year, it will not be required to prepare an annual report.

ARTICLE XIII: INDEMNIFICATION

The co-op shall have power to indemnify its officers, directors, employees, and agents to the fullest extent permitted by law.

ARTICLE XIV: LIMITATION OF LIABILITY OF DIRECTORS

Except as prohibited by the Business Organizations Code, directors of the co-op are not liable to the co-op or the members for monetary damages for an act or omission by such director in that director's official capacity in the co-op.

ARTICLE XV: BYLAW AMENDMENT

Bylaws may be adopted, amended, or repealed by approval of 2/3 of the members.

ARTICLE XVI: SEVERABILITY

If any section, clause, provision, or portion of these bylaws is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of these bylaws shall not be affected thereby.

APPENDIX A

DEFINITION – A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

VALUES – Cooperatives are based on the values self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

PRINCIPLES

A. **VOLUNTARY AND OPEN MEMBERSHIP** – Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

B. **DEMOCRATIC MEMBER CONTROL** – Cooperatives are democratic organizations controlled by their members – those who buy the goods or use the services of the cooperative – who actively participate in setting policies and making decisions.

C. **MEMBERS' ECONOMIC PARTICIPATION** – Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

D. **AUTONOMY AND INDEPENDENCE** – Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

E. **EDUCATION, TRAINING AND INFORMATION** – Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

F. **COOPERATION AMONG COOPERATIVES** – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

G. **CONCERN FOR COMMUNITY** – While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.