

**POUDRE VALLEY COMMUNITY FARMS, A LAND COOPERATIVE
CLASS M MEMBERSHIP AGREEMENT**

The undersigned (hereinafter "*Member*"), having executed an application for membership with **POUDRE VALLEY COMMUNITY FARMS, A LAND COOPERATIVE**, a Colorado cooperative having its principal place of business at P.O. Box 26, Laporte, CO 80535 ("*Cooperative*") and having been approved by an authorized agent of the Cooperative for membership, hereby enters into this Agreement with the Cooperative, and agrees to be bound at all times by the Bylaws of the Cooperative, under which it is hereby agreed as follows:

**ARTICLE I
MEMBER AGREEMENTS**

The Member, which hereby seeks to become a "*Class M Member*" or "*Household*" Member which will own one share of Class M voting common stock and <<__>> shares of Class I preferred stock in the Cooperative and is now entitled to be a full member of the Cooperative, agrees to the following:

1. Capital Stock. Member agrees to subscribe and pay for one (1) share of the capital stock of the Cooperative, and <<0>> shares of the Cooperative's Class I preferred stock as follows:
 - (a) one (1) share of Class M voting stock (no par value) of the Cooperative at a price of \$2,500.00, issued in the name of the Member (the "*Class M Common Share*");
 - (b) To purchase <<__>> shares of Class I preferred stock (no par value) of the Cooperative at a price per share of \$2,500.00, for an aggregate purchase price of \$<<__>>, issued in the name of the Member and to be fully paid and non-assessable ("*Class I Share(s)*");
 - (c) To execute that certain Class I preferred shareholder agreement, which restricts the holding and transferability of those shares of Class I preferred stock; and
 - (b) to make payment of the total price for the above share of stock in immediately available funds, by executing a promissory note on the Cooperative's standard terms and conditions, or in some combination of the foregoing.
2. Periodic Member Fees. Member hereby agrees to pay such periodic fees as may required by the Cooperative as prescribed by the Board of Directors for general overhead expenses of the Cooperative or for such other purpose as the Board determines. The initial Subscription Fee of membership shall be \$0.00 per month, payable by electronic payment on the 1st of each month. The Subscription Fee may be increased or decreased, from time to time. The newly adjusted Subscription Fee shall be due and payable the month subsequent to the Cooperative's publication of the new Member Fee.
3. Cooperative Products and Services. The Cooperative, from time to time, may offer optional products and services to Member for a published price, which is in addition to the Periodic Member Fee. Member may at his/her/its sole discretion purchase offered services or products from the Cooperative (collectively "*Additional Products and Services*").
4. Member Fee Payment. Member agrees to make payments for Periodic Member Fees and any Additional Products and Services via reoccurring Electronic Funds Transfer, credit card or other reoccurring electronic payment methods approved and published by the Cooperative. Member agrees to provide Cooperative updated, active, and accurate billing information. Member agrees to cover additional billing expenses or fees that arise from inaccurate, expired or inactive account information or failure to provide accurate reoccurring billing information.

5. Patronizing Cooperative. Subject to Section 2 hereof, Member shall be deemed to patronize the Cooperative by:
- (a) purchasing food produced from Cooperative Class P Producer-Members (tracked in dollars spent);
 - (c) purchasing Additional Products and Services (tracked in dollars spent);
 - (d) participating in Cooperative Producer-Member plans, services and community supported agriculture programs (tracked in dollars spent); and
 - (e) volunteering to support farm dinners, farm visits, and other community events organized by or connected to the Cooperative (tracked in hours volunteered).

The Cooperative's Board of Directors shall, pursuant to its powers under the Bylaws, determine the precise methodology by which Member's patronage shall be calculated and allocated.

6. Confidential Information. Without limiting the generality of the confidentiality provision contained in Article XV of the Bylaws, all information relating to membership, fees, financial performance or projections, products or services, trade secrets, correspondence and all other Cooperative documents and information furnished to the Member by the Cooperative will be kept in strict confidence, and upon termination of the membership privileges in the Cooperative Member shall immediately return to the Cooperative or its agent all such documents which had been provided by the Cooperative to Member.
7. Bylaws. Member has received a copy of the Bylaws of the Cooperative, and Member promises and agrees that s/he shall comply with all provisions of said Bylaws, as amended from time to time, which apply in any way to any of the relationships between the Member and the Cooperative, and will further comply with all policies, rules and regulations adopted from time to time by the Board of Directors of the Cooperative which apply to any of said relationships, and that the shares of capital stock of the Cooperative hereby subscribed for by the Member will be held by the Member subject to all of the provisions of the Articles of Incorporation and the Bylaws of the Cooperative and all amendments and supplements thereto, and to all applicable provisions of this Agreement.
8. Patronage Dividends. Member specifically acknowledges receipt of a copy of Article I, Section 5 of the Bylaws of the Cooperative entitled "Consent to Tax Treatment" and of the provisions therein contained which provide, among other things, that a member of the Cooperative, by the act of becoming or continuing as a member, consents that the amount of any patronage dividend distributions or received by the Member from the Cooperative in the form of "qualified written notices of allocation" (as defined in Section 1388 of the U.S. Internal Revenue Code, as amended) will be taken into account by the Member as gross income for federal income tax purposes for the Member's taxable year in which such notices of allocation are received by the Member. This provision is not intended to limit the generality of Article I, Section 5 of the Bylaws.
9. Lien. As provided for in Article VII, Section 3 of the Cooperative's Bylaws, and without limiting the generality of the same, the Cooperative, to the extent of any indebtedness owing at any time to the Cooperative by Member, will have a first lien upon and a right of set-off against all shares of the Cooperative's capital stock owned or subscribed by the Member and any patronage dividends which accrue for the account of or become distributable from time to time to the Member, subject, however, to the right of the Member in any event to submit to the Cooperative a timely request for the payment to the Member in cash of an amount equal to 20% of the total

patronage dividends allocated to the Member in the form of a qualified written notice of allocation for a particular fiscal year of the Cooperative.

10. Governance & Committees. Member agrees to take part in cooperative governance by availing him/her/itself to vote on matters for which Class M members are eligible to vote, and to volunteer and serve on Committees, as may be made available from time to time by the Board of Directors, and applicable.
11. Code of Conduct. Member recognizes the unique and important position s/he/it holds as a patron-member-owner of the Cooperative and will: strive to maintain and support the mission of the Cooperative and its surrounding community; carry and represent her/him/itself and the Cooperative with fairness and respect, both within and external to the community; and adhere to the Cooperative's rules, guidelines, policies and code of conduct, as applicable.
13. Withdrawal. Member has read and expressly acknowledges Article I, Section 3 of the Cooperative's Bylaws and further acknowledges: (i) the Cooperative requires substantial working capital to satisfy the cash demands of the Cooperative's business (including direct investments in real property and improvements thereupon); (ii) redemption of all or part of Member's original capital contribution is at the sole discretion of the board and should be considered at-risk for delayed or partial redemption, or no redemption at all in certain circumstances.
14. Organizational Documents. Member has received a copy of and understands the Cooperative's Articles of Incorporation and Bylaws, which are attached hereto as Exhibit A and Exhibit B, respectively, and has had access to, and an opportunity to inspect, all relevant information and documents relating to the Cooperative. Member has also had the opportunity to ask questions of the Board and of the officers of the Cooperative and has received satisfactory answers thereto, and has obtained such additional information as Member has desired to obtain regarding the Cooperative.

ARTICLE II COOPERATIVE AGREEMENTS

1. The Cooperative agrees to provide the following services and benefits to Member:
 - a) Fractional, undivided ownership in farm or ranch land;
 - b) Voting rights as part of the Cooperative's governance model;
 - c) Patronage dividends to be allocated in proportion to the Member's patronage activity with, through and of the Cooperative's products and services;
 - d) Access to exclusive Additional Products and Services at near wholesale cost;
 - e) Preferred access to the products, services, community supported agriculture programs of the Cooperative's Producer Members;
 - f) Preferred access to community events, farm dinners, farm visits and other programs, events sponsored by or in connection with the Cooperative's support; and
 - g) The Cooperative further agrees to promote the Cooperative's products and services and those transacted as a result of or derivative from membership in the Cooperative, whether in whole or in part, or whether directly or indirectly arising from Cooperative membership.

The availability of the foregoing services is subject to change and may be modified, cancelled or augmented by the Board.

2. Patronage Dividends. In accordance with the applicable provisions of the Cooperative's Bylaws and any then effective policy or plan established by the Board of Directors of the Cooperative with respect to the distribution and calculation of patronage dividends, the Cooperative will distribute to its Members as patronage dividends within 8 1/2 months following the close of each fiscal year of the Cooperative, the proportionate share of the net earnings allocable to the Member, effected by or resulting from the operations conducted and carried on by the Cooperative in connection with his/her/its patronage activity in relationship to overall Member Class and individual member-patronage activity.

ARTICLE III MISCELLANEOUS PROVISIONS

1. Dispute Resolution. Member and Cooperative agree to submit and resolve any dispute arising out of this Agreement, any other agreements between the Member and the Cooperative, or any agreements made between Members in connection to business directly connected to the Cooperative's business, to the Dispute Resolution provision as outlined in Article X of the Cooperative's Bylaws.
2. Forfeiture of Membership. Violation of this Agreement in any material respect by Member, or violation of the terms and conditions of the Bylaws of the Cooperative, will be grounds for the Board of Directors to terminate Member's membership in the Cooperative.
3. No Security. The Member's interest in the Cooperative and rights acquired as a result of becoming a member in the Cooperative are not a security. As such, no aspect of this Agreement or the transaction contemplated hereby have been reviewed, passed over, or approved by a regulatory agency.
 - a) The Member is purchasing the Class M Common Share and the Class I Preferred Shares for its own account.
 - b) The Member understands that membership interest and the Class M Common Share and the Class I Preferred Shares have not been, and will not be, registered under the Securities Act of 1933, as amended (the "*Securities Act*") or under Colorado's Blue Sky laws, by reason of specific exemptions from the registration provisions of the same, which depend upon, among other things, the bona fide nature of the Member's non-pecuniary motivation to become a member in the Cooperative.
 - c) Member expressly acknowledges, understands and appreciates that the Class M Common Share and the Class I Preferred Shares are generally not subject to and is not being acquired for the purpose of realizing financial appreciation. Rather, Member is seeking to become a member in the cooperative to support and gain access to certain non-pecuniary aspects of the community, market, and sustainable and affordable agricultural land being created and operated by the Cooperative.
 - d) Member expressly acknowledges, understands and appreciates that the Cooperative has no intention, and has in fact created certain disincentives to sell the Cooperative or substantially all of its assets for the financial gain of its members.
 - e) The Member has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the transaction contemplated herein and to make an informed decision with respect to such transaction.
 - f) The Member can afford a complete loss of the value of the shares being acquired hereby and is able to bear the economic risk of holding such shares for an indefinite period.

4. No Assignment; Non-Transferable. The Member may not assign its interest or rights in this Agreement. This Agreement will be binding on the parties and their heirs, successors and assigns. Member acknowledges and agrees that its membership in the Cooperative and the Class M share and the Class I Preferred Shares ARE NOT transferable without the prior written consent of the Board.
5. Indemnification. Member hereby agrees to indemnify and hold harmless the Cooperative and its officers, directors, members, employees, consultants, representatives, and agents from and against any and all causes of action, charges, claims, damages, demands, liabilities, losses, obligations, penalties and other recoveries and any and all related costs and expenses (including, without limitation, reasonable attorneys' fees and costs) arising, directly or indirectly, from any misrepresentation made by Member herein, any breach by Member of the representations and warranties made by Member herein, any failure by Member to fulfill any of Member's covenants set forth herein, for any negligent act or omission by the Member at any time arising out of Member's membership in the Cooperative, or any resale, transfer or other distribution of the Class M share in violation of this Agreement or the Cooperative's Bylaws.
6. Governing Law and Venue. The laws of the State of Colorado will govern this Agreement, and venue for enforcement of this Agreement will be in Larimer County, Colorado.
7. Uniformity of Agreement. It is the intent that all Class M Membership Agreements are to be uniform in all material respects, except that the Class M Common share price is subject to change, in the discretion of the Board of Directors.
8. Board Powers. The Cooperative's Board of Directors or an authorized representative or delegate of the same shall have all necessary powers and authority to administer and enforce the terms of this Agreement, to the extent not inconsistent with the same and to the extent required or reasonably necessary.

This Agreement is executed and delivered by Applicant on the ____ day of _____, 2015.

Signature: _____

Name: _____

Social Security Number: _____

Address:

Phone: _____

Facsimile: _____

Email: _____

**ACCEPTED AND EFFECTIVE
THIS ____ DAY OF _____, 2015:**

Poudre Valley Community Farms, A Land Cooperative

By: _____

Name: _____

Title: _____

EXHIBIT A

ARTICLES OF INCORPORATION

[Attached]

**EXHIBIT B
BYLAWS**

[Attached]