



Obran Cooperative Membership
membership@obran.coop

Patron Membership Agreement

Membership Criteria:

1. Member Responsibilities. A member is considered in “Good Standing” when all of the one-time criteria have been met and ongoing criteria have been met within the past twelve months.

One-time:

- Pay the initial \$250 member buy-in
- Sign the membership agreement
- Go through a 90 day trial period
- View Obran’s 5-part cooperative training (optional but highly recommended)

Ongoing:

- Work for an Obran Cooperative company at least 10 hours per year
- Contribute at least 1% of your gross earnings into your internal capital account held by the cooperative
- Attend at least three member meetings per year

2. Member Rights. Members receive greater privileges than employees, including:

- Opening an Internal Capital Account
- Earning a share of Obran Cooperative surplus (patronage dividends)
- Voting and running for the Obran Cooperative Board of Directors
- Voting and running for your company’s Board of Directors
- Voting for major decisions
- Participating in member trainings
- Enjoying access to benefits offered by our partners

Please visit <https://docs.obran.coop/> for more information on Obran Cooperative membership.

Member Information:

Name: _____

Address: _____

Phone: _____ Email: _____

Membership Terms:

1. Membership. I, [member name], agree to become a Member of Obran Cooperative LCA, (the “Cooperative”), a Colorado limited cooperative association.

My business unit is:

- | | |
|--|-------------------------------------|
| ☐ Obran Central | ☐ Kalindee |
| ☐ Apollo | ☐ PCHH |
| ☐ CCH | ☐ Tribeworks |
| ☐ Other _____ | |

Member Buy-in:

One-time: In exchange for my Membership Share, I agree to pay two hundred fifty dollars (USD \$250) according to the following schedule (please select only one):

- ☐ I agree to have USD \$250 removed from my next paycheck, at which time I will have paid my Membership Share in full.
- ☐ I agree to have USD \$_____ removed from my paychecks to go towards my Membership Share until it is paid in full. ¹
- ☐ I am a Kalindee employee and understand that my \$250 Membership Share is not due at this time, and I will be informed when it can be processed to make arrangements for payment.

¹ Please complete the MEMBERSHIP LOAN AGREEMENT addendum

Ongoing: I agree to have ____% of my paychecks be contributed to my Internal Capital Account within Obran Cooperative.

2. The Membership Share is Not Transferable. I understand that a Membership Share in the Cooperative cannot be sold or transferred to anyone except that it can be transferred to the Cooperative. If I attempt to sell or transfer my Membership Share to anyone, that attempted sale or transfer will not be recognized. If I attempt to use the Membership Share as security for a loan, that arrangement will not be recognized.

3. Articles and Bylaws. I have received a copy of the Cooperative's articles of organization and bylaws. I agree to become a Patron Member under the terms of the articles of organization and the bylaws.

4. Responsibilities of Members. I accept the responsibilities of Membership in the Cooperative's Patron Member class. Responsibilities of Patron Members include the duty to patronize the Cooperative by contributing my labor to the Cooperative or to one of the Cooperative's subsidiaries, and the responsibility at all times to act in a way that will promote and/or be consistent with the best interests of the Cooperative and its subsidiaries.

5. Voting. I understand that I will have one vote in any matter that Patron Members are eligible to vote, while I am active and in good standing.

6. Patronage Allocations. The Cooperative may allocate and or distribute a portion of its annual net income (when sufficient net income is available) or loss to the Patron Members, as so determined by the Board of Directors in accordance with the bylaws. I understand that I will receive such allocations and or distributions, if any, on the basis of my patronage, meaning in proportion to my labor as a percentage of the total labor contributed by all of the Members. Patronage Allocations and Distributions will be made in accordance with the provisions of the Bylaws and may include Written Notices of Allocation, as defined by the Internal Revenue Code, 26 U.S.C. § 1388. I further understand that I will pay state and Federal income taxes on any allocations or distributions received from the Cooperative, and on the deductions from my salary that are credited to my Internal Capital Account.

7. Risk of Loss. The Cooperative maintains an Internal Capital Account for each Patron Member. The Internal Capital Account is a ledger on the Cooperative's books that reflects the Member's Membership Buy-In and retained earnings (Written Notices of Allocation that have not been paid out). I understand that the amounts in my Internal Capital Account are subject to loss and depreciation. I also understand that while I am a Member, the board has discretion to delay paying out amounts in my Internal Capital Account to protect the financial well being of the Cooperative, and that Internal Capital Account balances can be paid to Members who leave the Cooperative in the form of a promissory note, in accordance with the Bylaws, and are not always paid immediately in cash. Members may forfeit buy-in, retained earnings, interest, bonuses, dividends, profits, and increased value of any kind through negligence, wrongdoing, and/or breach of contract. I understand that if I cause damage to the Cooperative through negligence, wrongdoing, and/or breach of contract, the Cooperative may take the amount needed to compensate the Cooperative for that damage out of amounts that would otherwise be paid to me.

8. End of Membership. When my status as a Patron Member in the Cooperative ends, my Membership Share will be returned to the Cooperative in exchange for the balance of my Internal Capital Account or exchanged for the equivalent value of investor membership shares, which I agree is a fair and sufficient amount, and no other payments for my Membership Share shall be due, in accordance with the bylaws. I understand that allocations of annual net income and loss to the Members may increase or decrease the amount that I will receive for my Membership Share upon the end of membership.

9. Tax. I agree to include in my taxable income the stated dollar amount of any and all Allocations that I receive. I understand and acknowledge that the obligation to pay any taxes on these amounts is my personal responsibility, not the Cooperative's.

10. Confidential Information. I acknowledge that as a Patron Member of the Cooperative, I will have access to and become acquainted with the Cooperative's trade secrets, information, intellectual property, inventions, innovations, processes, records, and specifications owned or licensed by the Cooperative and/or used by the Cooperative in connection with the operation of its business, including, without limitation, the Cooperative's contacts, business processes, methods, customer lists, accounts, and procedures. I also acknowledge that I may have access to and become acquainted with confidential information about the Cooperative's clients and/or the clients of the Cooperative's subsidiaries, including their contact information. All of

the information described in this paragraph is defined as the Cooperative's "Confidential Information."

I agree to keep absolutely secret and not to disclose and not to convey any of the Cooperative's Confidential Information, directly or indirectly. I agree that I will not use any item of the Cooperative's Confidential Information in any manner except as directed by the Cooperative. The obligations of this section 10 survive the termination of this agreement.

11. Choice of Law. This agreement shall be governed by and interpreted according to the laws of the state in which the principal office of my employer is located.

12. Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective under applicable law. If one or more provisions of this Agreement are held to be unenforceable by a court of competent jurisdiction or an arbitrator, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

13. Counterparts. This Agreement may be executed in any number of counterparts (identical copies), each of which when signed and delivered shall be deemed an original, with the same effect as if the parties had signed the same copy. All counterparts will be construed together and will constitute one agreement. Signatures may be electronic. A signed signature page in any electronic form delivered by email or other electronic means shall be regarded as an originally executed counterpart.

14. Termination. This agreement terminates upon termination of my status as a Patron Member of the Cooperative. My right to withdraw from the Cooperative and the effects of withdrawal are as set forth in the Bylaws. I agree to be bound by any terms and conditions in the Articles, Bylaws, policies, and this agreement, that continue to apply after termination of membership in the Patron Member class.

15. Acknowledgement. I acknowledge that in deciding to become a Patron Member that I

received copies of the Articles, Bylaws and other documents describing the business model, operations, health and status of the Cooperative. I also had the opportunity to request information, statements and documents and I had the opportunity to discuss said documents with my attorney, accountant, family, and advisors.

{Signatures Follow}

Accepted and agreed to by:

MEMBER

Member Signature

Date

Printed Name

OBRAN COOPERATIVE LCA

By its: ☐ Director

☐ President

☐ Authorized Agent

Signature

Date

Printed Name