

BY-LAWS OF COOPERATIVE MARKETS, INC.,
ALSO KNOWN AS FORT COLLINS FOOD CO-OPERATIVE

Effective September 1, 2009

**ARTICLE I. NAME AND
OFFICES**

The principal office of the Cooperative Markets, Inc., shall be located at 250 E. Mountain Avenue, Fort Collins, Colorado. The Cooperative may change the location to any other place in Larimer County, Colorado, by resolution of the Board of Directors.

ARTICLE II. MEMBERSHIP

The Cooperative is owned by its members, who may earn patronage according to the business they do with the Cooperative.

Section 1. Qualifications. All consumers doing business with the Cooperative are eligible for membership. Any individual or family (defined as an individual plus any spouse, partner or children residing in the same household) who shall pay the membership share or amount and annual maintenance fee, and agree to abide by the Cooperative's Articles of Incorporation, By-Laws and policies, shall be admitted to a single membership in the Cooperative. Memberships are not transferable to individuals who leave the family group.

Section 2. Voting Rights. Each member shall be entitled to one vote in any vote of the membership.

Section 3. Length of Membership. Memberships in the Cooperative shall be perpetual provided that each member pays membership share and other fees as may be set from time to time by the Board of Directors.

Section 4. Termination of Membership. If, at any time, a member:

- (a) has become ineligible for membership; or

- (b) has failed to patronize this Cooperative for a period of one year or more; or
- (c) has failed to pay the required membership and annual fees; or
- (d) has moved from the territory served by this Cooperative; or
- (e) dies or ceases to be a consumer; or
- (f) whenever the Board of Directors by resolution finds that a member has:
 - (i) intentionally or repeatedly violated any provision of the Articles of Incorporation or the Bylaws of this Cooperative; or
 - (ii) breached any agreement with this Cooperative; or
 - (iii) willfully obstructed any lawful purpose or activity of this Cooperative;

then, in any such event, the Board of Directors, in its sole discretion, may terminate that member's membership. Termination shall be by sending such notification of cancellation to the member as is reasonable. No action taken hereunder shall impair the obligations or liabilities of either party under any contract with the Cooperative, which may be terminated only as provided therein.

Section 5. Resignation. When a member chooses to end her, his or their membership, and has not otherwise caused a termination as provided in section 3, the Cooperative will make its best efforts to refund the amount paid toward membership shares to the member. Any discretionary refund of amounts paid by the member will depend on a replacement of the membership and on the sufficiency of equity and operating capital.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held in the month of October, as scheduled by the Board of Directors, and shall be for the purpose of undertaking the election of Directors, pursuant to section 8 below, and for the transaction of such other business as may properly come before the meeting. The meeting shall not be held on a legal holiday. If the election of Directors shall not be held as specified by these By-Laws, the Board of Directors shall cause a special election to be held as soon as convenient.

Section 2. Special Meetings. A special meeting of the members may be called at any time by the Board of Directors or by the President, and shall be called by the President upon the written request of members holding in the aggregate five percent or more of the total membership of the Cooperative, or fifty members, whichever is less. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary, and shall state the time, place, and purposes of such meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place within Larimer County as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Cooperative in the State of Colorado.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and the purpose or purposes for the meeting shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than thirty days before the date of the meeting, either personally, electronically or by mail, by or at the direction of the President, or the Secretary, or the persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the membership records of the Cooperative, with postage thereon prepaid. If delivered electronically or in person, a record shall be kept showing confirmation of delivery. Notice of the meeting shall also be posted conspicuously at the Cooperative's principal place of business. Attendance of a member at a meeting of members shall constitute a waiver of her or his right to object to lack of such notice of such meeting, except when the member attends for the express purpose of objecting, at the

beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Adjourned Meetings. When a 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. At the adjourned meeting the Cooperative may transact any business which might have been transacted at the original meeting. If the adjournment is for more than eight days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of the record entitled to vote at the meeting.

Section 6. Voting List. The Secretary of the Cooperative shall maintain a complete list of the members entitled to vote at the current year's regular meeting of members or any adjournment thereof, or at any special meeting, arranged in alphabetical order, with the physical, post-office, or electronic address of each. The membership list may be maintained using the Cooperative's point of sale system. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purposes thereof, and, with reasonable notice, for ten days prior to the meeting. For the purpose of establishing such list the Board of Directors may establish a record date of voting membership not to exceed thirty days prior to any regular or special meeting.

Section 7. Quorum. Upon a showing by the Secretary of the Cooperative that adequate notice has been given to each member as provided in Section 4 of this Article, the presence at any meeting, in person, of five percent of the members, or fifty members, whichever is less, of the members entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business. If less than a quorum is present at a meeting, a majority of the members present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 8. Voting. On all issues except the Amendment of the Articles of Incorporation of the Cooperative, a simple

majority of those members present and voting may decide any issue properly before the membership. Notwithstanding the general quorum and voting process, voting to elect members to the Board of Directors or to amend the bylaws may take place, by written ballot, in the Cooperative's place of business during business hours for three full weeks beginning the first full week in November. Results of the election shall be announced and posted at the Cooperative's place of business. No proxy voting shall be allowed in any vote of the members.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by its Board of Directors. The Board of Directors shall adopt such policies, rules, regulations, and actions not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable. The Board shall maintain and publish at least annually a Governance document that lists and briefly describes Board responsibilities and powers with respect to Board activities and actions, authority and responsibilities delegated to the General Manager, and responsibilities for linkage between the Board and both the General Manager and the Membership.

Section 2. Number, Tenure, and Qualifications. The number of Directors of the Cooperative shall be between seven and nine. The sitting Board of Directors will choose the number of board members needed for the subsequent year prior to the annual member meeting. Directors must be members in good standing prior to their election. Employees of the Cooperative may not serve on the Board of the Cooperative. Directors shall hold office for a three year term, and Directors terms shall be staggered. There are no term limits.

Section 3. Employment of General Manager. The Board of Directors shall select and employ a General Manager and fix the compensation of such General Manager. The Board of Directors may terminate the employment of the General Manager with or without cause at any time, unless an enforceable written contract between the Cooperative and the General Manager provides otherwise.

Section 4. Meetings of the Board.

- (a) A regular monthly meeting of the Board of Directors shall be held on such date and at such place as the Directors

choose, which may be set on an annual or other basis. The Board meetings shall be open to the members. Conspicuous notice of the place, time and agenda of such regular meetings shall be posted in the Cooperative's principal place of business, at least ten days prior to such regular meeting.

- (b) Upon posting of the agenda for any meeting of the Board of Directors, additional agenda items will be referred to subsequent regular meetings unless the agenda is amended by the Board of Directors.

- (c) A special meeting of the Board of Directors shall be held whenever called by the President or, during his or her absence, by the Vice President, on forty-eight (48) hours' notice to each director personally, or by mail or electronic means. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of any two other directors. The purpose of a special meeting shall be specified in the notice of the meeting.

- (d) For the purpose of conducting meetings of the Directors, a quorum and voting requirements will be determined by the following table:

Number of Directors on Board	Quorum	Votes needed to pass Normal Issues	Votes needed to pass Extraordinary Issues
7	5	4	5
8	6	5	6
9	6	5	6

Extraordinary issues are defined to include but are not limited to the following, as determined by the person chairing the meeting: hiring or firing a General Manager, buying or selling real estate, merging with another organization, changing investment policies, and approval of the strategic business plan.

Section 5. Vacancies. In the event of vacancies within the Board, the remaining Directors shall appoint any member to fill the vacant Director position for the duration of that position's term.

Section 6. Officers. The Board shall designate a President, a President-Elect, and a Secretary, either from the ranks of the Board or shall appoint such other member of the Cooperative to these offices or additional offices as from time to time are necessary for the proper conduct of the affairs of the Cooperative. The President-Elect is presumed to be the next in line for the office of President, but the Board may choose an alternative President. Officer terms are for one year, with a maximum of two consecutive terms.

Section 7. Duties to Members. The Board of Directors shall implement any policy decision made by an affirmative vote of members provided that such policy decision is not in conflict with the Articles of Incorporation, the By-Laws or the Board's fiduciary duties to the Cooperative.

Section 8. Removal From Office. Any member of the Board of Directors may be removed from office by a majority vote of the members in any regular or special meeting, provided a petition containing signatures of not less than five percent of the membership be presented to the President of the Board of Directors not less than 15 days before the membership meeting at which the vote is taken.

ARTICLE V. DISTRIBUTION OF EARNINGS

The cooperative shall operate strictly on a cooperative basis within the scope of the objects and purposes stated in the Articles of Incorporation and these bylaws. The Cooperative shall distribute to its patrons any profits that are not retained for business operations or reserved for capital expenditures. Distributions, if any, shall be on the basis of the patronage of its members.

ARTICLE VI. CONSENT

Section 1. Consent. Each person or family who hereafter applies for and is accepted to membership in this Cooperative and each member of this Cooperative on the effective date of this Bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to that member's patronage which are made in qualified written notices of allocation or qualified per unit retain certificates (as defined in 26 U.S.C. Sec. 1388), and which are received by that person from the Cooperative, will be taken into account by that person at their stated dollar amounts in the manner provided in 26 U.S.C. Sec. 1385(a) in the taxable year in which such written notices of allocation or per unit retain certificates are received by that person.

Section 2. Consent Notification to Members and Prospective Members. Written notification of the adoption of this Consent Bylaw, a statement of its significance, and a copy of the provision regarding said consent shall be given separately to each member and prospective member before they become members of the Cooperative.

ARTICLE VII. AMENDMENT OF ARTICLES AND BY-LAWS

The Articles of Incorporation of the Cooperative may be amended at any regular or special meeting of the members. The proposed amendment must be first approved by a two-thirds majority of the Directors. The notice setting the member meeting shall set forth or have attached thereto the proposed amendment or a summary thereof and shall be mailed to each member at least ten days prior to the meeting date, except that when the membership roster falls below 100 members, it shall be permissible to post notice of such meeting in a conspicuous place at principal place of business for at least thirty days prior to such meeting. The proposed amendment shall be approved by an affirmative vote of a majority of the members present.

The By-Laws of the Cooperative may be amended by a vote of the members occurring either at a duly authorized member meeting or by an in-store written vote conducted as in Article III, Section 8, after the amended By-Laws are presented and discussed at a duly authorized member meeting.

ARTICLE VIII. DISSOLUTION

The Cooperative may be dissolved in the manner provided by law. All remaining assets at the time of dissolution of the Cooperative, after liquidation of all assets, resolution of all debts, reimbursement of any member amounts paid, and return of such patronage equity as is prudent and required, shall be donated to a member approved non-profit, not-for-profit or cooperative organization.

Adopted at the meeting of the Members at _____,
Colorado, on September _____ 2009, to be effective on that
same date.

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Attest: _____
Secretary

CONSENT BYLAW

The Bylaws of the Cooperative in effect on September __, 2009, contain the following provision:

Section 1. Consent. Each person who hereafter applies for and is accepted to membership in this Cooperative and pays the required member-ownership amount in full and each member of this Cooperative on the effective date of this Bylaw who continues as a member after such date and pays the required member-ownership amount in full shall, by such act alone, consent that the amount of any distributions with respect to that member's patronage which are made in qualified written notices of allocation or qualified per unit retain certificates (as defined in 26 U.S.C. Sec. 1388), and which are received by that person from the Cooperative, will be taken into account by that person at their stated dollar amounts in the manner provided in 26 U.S.C. Sec. 1385(a) in the taxable year in which such written notices of allocation or per unit retain certificates are received by that person.

Section 2. Consent Notification to Members and Prospective Members. Written notification of the adoption of this Consent Bylaw, a statement of its significance, and a copy of the provision regarding said consent shall be given separately to each member and prospective member before they become members of the Cooperative.

Agreed: _____

Member

Dated: