

**CONSUMER MEMBERSHIP SUBSCRIPTION AGREEMENT FOR
CLASS A COMMON MEMBERSHIP STOCK
IN COLLECTIVE RESOURCE COMPOST COOPERATIVE, INC.**

This Consumer Membership Subscription Agreement (this “**Agreement**”) is made and entered into as of _____ (the “Effective Date”) by and between **COLLECTIVE RESOURCE COMPOST COOPERATIVE**, an Illinois cooperative corporation (the “**Cooperative**”) with a principal address at 838 Brown Avenue, Evanston, IL 60202 and

the undersigned member (“**Consumer-Member**”) (together with their permitted assigns and successors)

with a principal address at

1. Subscription.

1.1. Consumer-Member hereby subscribes for and agrees to purchase stock in the Cooperative's Class A Consumer-Member class (“**Class A Common Membership Stock**” or “**Stock**”) in the total amount of \$_____ at a purchase price of **\$1,000** per share, subject to the terms and conditions set forth in this Agreement (“Original Stock Price”). This Agreement is not subject to any qualification by the Securities Exchange Commission as the Class A Common Consumer Membership Stock is not considered securities as that is defined by the U.S. Securities Act of 1933, the regulations promulgated thereunder, and the applicable case law.

1.2. Consumer-Member has received and read a copy of the Cooperative’s Bylaws, attached hereto as **Exhibit A**, dated **June 29th, 2023** (the “**Bylaws**”) and agrees that the execution of this Agreement constitutes Consumer-Member’s consent to become a party to the Bylaws and that upon the Cooperative’s acceptance of this subscription, the Consumer-Member shall become a Class A Consumer-Member of the Cooperative upon the deliverance of a written notice of issuance representing uncertificated Class A Consumer Membership Stock.

1.3. In order to purchase the Class A Common Consumer Membership Stock, the Consumer-Member must complete and sign this Agreement and return it to the Cooperative

along with payment of the amount to be invested. If completing the Agreement electronically, Consumer-Member should follow the applicable online instructions.

If completing the Agreement on paper, Consumer-Member should mail or deliver the completed Agreement to the Cooperative, along with a payment for the full purchase price of Class A Common Consumer Membership Stock, made out to “Collective Resource Compost Cooperative, Inc.,” at:

Erlene Howard
President
Collective Resource Compost Cooperative, Inc.
838 Brown Avenue
Evanston, IL 60202

1.4. Minimum Subscription Amount. The minimum subscription amount is \$250.00.

1.5. Cooperative’s Right to Accept or Reject Subscriptions. The Cooperative may accept or reject any subscription, in whole or in part. This means that the Cooperative may sell to Consumer-Member a smaller amount of Class A Common Membership Stock than the Consumer-Member subscribes to purchase or may decline to sell any Class A Common Consumer Membership Stock to the person(s) or entity requesting to become a Consumer-Member. If the Cooperative accepts Consumer-Member’s subscription, in whole or in part, this Agreement and the deliverance of a written notice of issuance representing uncertificated Class A Membership Stock will constitute an irrevocable commitment by the Consumer-Member to purchase the Class A Common Consumer Membership Stock, and a copy of this Agreement and a written notice of issuance will be executed by the Cooperative and returned to Consumer-Member. If the Cooperative rejects Consumer-Member’s subscription in whole or in part, the Cooperative will return the payment tendered for any unissued portion of the subscription submitted prior to the execution of this Agreement by the Cooperative.

2. Representations, Warranties, and Covenants of the Investor. Consumer-Member represents and warrants to, and covenants with, the Cooperative that:

2.1. Acknowledgment. Consumer-Member acknowledges that Consumer-Member has received a copy of the Cooperative’s disclosure documents, including the Cooperative’s financials, and **Bylaws, Exhibit A.**

2.2. Evaluate Risks. Consumer-Member has the requisite knowledge to assess the relative merits and risks of this investment or has relied upon the advice of Consumer-Member’s own professional advisors with regard to membership in the Cooperative.

2.3. Member Should Seek Representation. Consumer-Member understands that nothing in this Agreement or any other materials presented to Consumer-Member in connection with the purchase and sale of the Class A Common Consumer Membership Stock constitutes legal, tax, or investment advice. The Cooperative suggests that the Consumer-Member consult with such legal, tax, and investment advisors as Member, in its sole discretion, deems necessary or appropriate in connection with its purchase of Class A Common Consumer Membership Stock.

2.4. Limitations on Transfers. Consumer-Member will not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any part of their Class A Common Consumer Membership Stock except in compliance with this Agreement, the Cooperative's Bylaws, any applicable state and federal securities laws, and the respective rules and regulations promulgated thereunder.

2.4.1. Consumer-Member acknowledges that the Class A Common Consumer Membership Stock is uncertificated in accordance with Section 805 ILCS 805 ILCS 5/6.35 of the Illinois Business Corporation Act and any notice of issuance of Class A Common Consumer Membership Stock shall be written and imprinted with the following legends that limit its transfer:

Class A Common Consumer Membership Stock in the Cooperative ("Stock") has not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and the Cooperative has no obligation to register the Stock under the 1933 Act in the future. Offers and sales of the Stock are made under the exemption from registration provided by the U.S. Securities Act of 1933, the regulations promulgated thereunder, and the applicable case law, as well as by Illinois Securities Law of 1953 Section 815 ILCS 5/4(K), and the rules and the regulations promulgated thereunder. Resales of the Stock by Members are restricted and may only be sold if exempt from registration under Section 4(a)(1) of the Securities Act, and Rule 144 or Rule 144A promulgated thereunder.

Class A Common Consumer Membership Stock may be reoffered, resold or otherwise transferred only:

- To the Cooperative,
- To already existing Consumer-Members, in the event of the death of a Consumer-Member;
- In accordance with the Bylaws, or
- In accordance with the exemption from registration under Section (4)(1) of the Securities Act, and Rule 144 or Rule 144A promulgated thereunder.

2.4.2. The Consumer-Member acknowledges that, to ensure compliance with the

restrictions set forth herein, the Cooperative may stop the transfer of Consumer-Member's Stock and may make appropriate notations to the effect in its own records. In addition, the Cooperative shall not be required to transfer on its books any part of any Stock that has been sold or otherwise transferred in violation of any of the provisions of this Agreement or of the Cooperative's Bylaws, or to treat as owner of such Stock or make any allocation or distribution to any purported purchaser or other transferee to whom such Stock shall have been so sold or transferred.

2.5. Complete Information. All information provided by Consumer-Member to the Cooperative in connection with the purchase of the Class A Common Membership Stock is true, correct, and complete as of the date set forth hereof, and if there should be any change in such information, Consumer-Member will immediately provide the Cooperative with such information.

2.6. Authority; Binding Agreement. Consumer-Member represents and warrants to, and covenants with, the Cooperative that (i) Member has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery, and performance of this Agreement, and (ii) this Agreement constitutes a valid and binding obligation of Consumer-Member enforceable against the Consumer-Member in accordance with its terms, except as enforceability may be limited by applicable law.

3. Indemnity. Consumer-Member agrees to indemnify and hold harmless the Cooperative and its Members, Board, managers, employees and other agents for any claims, judgments, or expenses incurred as a result of any misrepresentation made by Consumer-Member.

4. Consent to Receive Patronage as Credit. I hereby consent that any Patronage Payment (as defined in the Bylaws) will be issued to me as a credit for future services, unless I opt out and request cash payment in writing to the Cooperative prior to February 28 of the allocation year. If I cancel my Consumer-Member Subscription prior to the date of the allocation, my Patronage Payment shall be paid to me in cash. I understand that I am responsible for any tax liability for the credit or cash payment of my Patronage Payment.

5. No Revocation. Once a Consumer-Member has executed a Subscription Agreement and submitted funds, such subscription may not be revoked without the consent of the Cooperative.

6. General Provisions.

6.1. Notice. Any notice or demand which either party may or must give to the other party under this Agreement shall be made in writing and shall be either hand delivered, or sent via email or U.S. mail to the following address:

To the Cooperative:

Erlene Howard
President
Collective Resource Compost Cooperative, Inc.
838 Brown Avenue
Evanston, IL 60202

erlene@collectiveresourcecompost.coop

To the Consumer-Member:

The name, mailing address, and email address of the Consumer-Member are on the signature page of this Agreement.

6.2. Modification. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Cooperative and Consumer-Member.

6.3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

6.4. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

6.5. Electronic Signatures. The Consumer-Member may deliver this Agreement to the Cooperative by electronic means such as by email. If Consumer-Member submits this Agreement to the Cooperative electronically, Consumer-Member agrees that Consumer-Member's digital signature or other form of electronic acknowledgment, consent, or acceptance (as the case may be), constitutes Consumer-Member's signature, acceptance, and agreement of the terms of this Agreement and such digital signature, consent, or acceptance shall be given the same force and effect as a signature affixed by hand.

6.6. Electronic Delivery of Information. Consumer-Member must provide the Cooperative with Consumer-Member's valid email address. Consumer-Member agrees to receive all reports and other information from the Cooperative via email. The Consumer-Member may revoke this consent any time by giving written notice to the Cooperative.

6.7. Severability. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

6.8. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the purchase and sale of Class A Common Membership Stock to Consumer-Member by the Cooperative and

supersedes all prior and contemporaneous understandings or agreements of the parties.

[Signature Pages Follow]

By signing and submitting this Agreement, Consumer-Member agrees to purchase Class A Common Consumer Membership Stock in the Cooperative with a purchase price as follows:

TOTAL INVESTMENT AMOUNT:

CONSUMER-MEMBER TITLE: The Class A Common Consumer Membership Stock shall be issued in the name(s) of:

Exact Name(s): _____

Choose one from the following classifications:

Individual (Separate Property) **Household** **Sole Proprietorship**

Corporation **Corporate Partnership** **Limited Liability Company (LLC)**

Minor with adult custodian **Trust** **Under Uniform Gift to Minors Act**

CONSUMER-MEMBER CERTIFICATION:

Under penalties of perjury, Consumer-Member certifies that: (1) the taxpayer ID number or social security number shown above is the correct taxpayer identification number issued to Consumer-Member; and (2) Consumer-Member is not subject to backup withholding because: (a) Consumer-Member is exempt from backup withholding, or (b) Consumer-Member has not been notified by the Internal Revenue Service (IRS) that Consumer-Member is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Consumer-Member that it is no longer subject to backup withholding; and (3) Consumer-Member is a U.S. citizen or other U.S. person.

CONSUMER-MEMBER INFORMATION AND SIGNATURE:

Signature

Printed Name

Last 4 Digits of Social Security Number: _____ Date of Birth: _____

Street Address: _____

City, State, ZIP: _____

Telephone: _____

Email: _____

Signature

Printed Name

Last 4 Digits of Social Security Number: _____ Date of Birth: _____

Street Address: _____

City, State, ZIP: _____

Telephone: _____

Email: _____

THE COOPERATIVE: COLLECTIVE RESOURCE COMPOST COOPERATIVE, INC.

By: _____

Title: _____

Signature: _____