

## MEMBERSHIP WITH HERITAGE COOPERATIVE

### REQUIREMENTS:

- ✧ Business Entity -or- 18 years of age or older
- ✧ Producer of agricultural products
- ✧ Purchase 1 share of Common stock for \$100

### BENEFITS OF MEMBERSHIP WITH HERITAGE COOPERATIVE (“Cooperative”)

- ✧ Members elect and are eligible for board of director and committee positions
- ✧ Cooperative members vote on issues involving membership
- ✧ Patronage Refund Allocations – Sharing in the Net Profits of Heritage Cooperative
  - ◆ Members doing business with the Cooperative during a fiscal year (September – August) are entitled to a share of the Cooperative’s net savings based on the volume of business transactions between the Member and the Cooperative.
  - ◆ After deducting necessary amounts for reserves and taxes, the balance of any net profit from each of the four divisions and five sub-divisions is allocated to Members in a Patronage Refund. If a division experiences a net loss, the division does not allocate a Patronage Refund.
  - ◆ The Patronage Refund is paid partially in cash (IRS requires 20% cash minimum) with the balance invested back into the Cooperative. A revolving capital credit (Deferred Equity) is allocated on the Cooperative’s books to the Member’s equity account. This is a Member’s additional ownership in the Cooperative, gained by the Member’s patronage (business done with the Cooperative). Deferred Equity is redeemed back to the Member (tax-free) in the future.
  - ◆ **Cash and Deferred Equity portions of the Patronage Refund must be included as the Member’s income during the tax year the Cooperative allocates the Patronage Refund.**

### APPLYING TO BECOME A MEMBER OF HERITAGE COOPERATIVE

1. Complete a Membership Application
  - ◆ Application can be found on the Cooperative’s website: [www.heritagecooperative.com](http://www.heritagecooperative.com)
2. Submit the completed application, along with the \$100 payment for the share of Common stock
  - ◆ Payable to: Heritage Cooperative, Inc., PO Box 369, Canfield, OH 44406 (*Attn: Robin Hanley*)
3. Board of Directors will review the application
4. Once approved, the Cooperative will mail the new Member a certificate for 1 share of Common stock



## APPLICATION FOR MEMBERSHIP

I am applying for membership Stock in Heritage Cooperative, Inc. ("Cooperative"), either on my behalf as an individual/sole proprietor or on behalf of a farming business entity ("Applicant"), as indicated below.

By signing below:

1. I certify that I am 18 years or older (of legal age) and under no legal disability.
2. I certify that Applicant is a Producer or Cooperative of Producers. Common stock may be issued to a producer engaged in the production of agricultural products for the market, including lessors of realtor personal property used for production of agricultural products for the market who received as rent part of the agricultural product. Cooperative means a Producer controlled entity that is operated on a cooperative basis (Articles, Section 4.2). **By signing this Application, I certify that I or my business entity named below is a Producer and bears the risk involved in producing agricultural product.**
3. I am tendering \$100 for the purchase of one share of the Cooperative's Common stock.
4. I agree to comply with all provisions of the Amended and Restated Articles of Incorporation ("Articles"), the Amended and Restated Bylaws ("Bylaws"), and the policies and conditions of Membership adopted by the Board of Directors. Either individually, or on the behalf of Applicant, I acknowledge receipt of copies of the Articles, Bylaws, and policies affecting the Applicant's status as a Member.
5. **On behalf of the Applicant, I consent to include all patronage received from Heritage Cooperative, Inc. on the Applicant's tax return.** I understand and agree that while Applicant is a Member, for federal income tax purposes I must include on the Applicant's income tax return the stated dollar amount of any written notice of allocation the Applicant receives as patronage. Both the cash portion and the non-cash portion must be included as income or as a reduction of expenses. This must be done in the tax year in which Applicant is notified of the patronage dividend, as provided in Bylaw 7.8.
6. Under penalty of perjury, I certify that Applicant's correct Taxpayer Identification Number is: \_\_\_\_\_ and that Applicant is not the subject to the back-up withholding provisions of the Internal Revenue Code for any reason.

Do you do business with either of the below:

United Landmark, LLC	YES	NO	Lena Ag Center, LLC	YES	NO
----------------------	-----	----	---------------------	-----	----

Date: \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Applicant's Name (Please Print)

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Signature (Include Title if Applicant is an Entity)

\_\_\_\_\_  
Phone Number

**By Signing, Applicant certifies the information provided on this application is true.**

\_\_\_\_\_  
County of Residence

\_\_\_\_\_  
Acres in Agricultural Production

If you are a tenant/renter, PLEASE ATTACH the name(s) and address(es) of your Landlord(s).

APPLICATION FOR MEMBERSHIP ACCEPTED BY THE BOARD OF DIRECTORS

Effective Date: \_\_\_\_\_ Common Stock Certificate Number: \_\_\_\_\_

Date Accepted: \_\_\_\_\_  
\_\_\_\_\_  
Board Secretary's Signature