



CERO COOPERATIVE, INC.

PREFERRED STOCK

OFFERING MEMORANDUM

CERO COOPERATIVE, INC.
A Massachusetts Corporation

1532B Dorchester Ave, Boston, MA 02122

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THIS OFFERING IS ONLY OPEN TO MASSACHUSETTS RESIDENTS

**OFFERING MEMORANDUM
Massachusetts Qualification by Permit**

**\$350,000
Preferred Stock**

Brief Description of Offering

CERO Cooperative, Inc. (“CERO”, the “Cooperative” or “Company”), is offering up to \$350,000 in preferred stock (the “Securities”) to finance equipment and other capital expenditures, and working capital relating to the operation of a zero waste collection, composting and recycling business. The Company is not offering a guaranteed annual dividend payment on the Securities but its Board of Directors has set its target dividend payment at 4 percent per year. The minimum investment is two thousand five hundred dollars (\$2,500). There is no maximum investment, except as described in the section on Suitability Requirements. Until the minimum offering amount (\$100,000) is raised, funds will be held in an impound account. If the minimum offering amount is not raised within one year of the commencement of the offering, all funds will be returned to investors. The offering will terminate one year from the date of commencement. The offering is limited to Massachusetts residents.

About CERO Cooperative, Inc

The members of **CERO Cooperative, Inc.**, (Cooperative Energy Recycling and Organics/Cooperativa Para Energía, Reciclaje y Organicos) have been working to develop their business since November 2011. In October 2012, a grant from the Barr Foundation enabled them to bring in a start-up manager (also a worker-owner) and a consultant to assist in their development as an effective, democratically run cooperative.

CERO intends to be a generator for local employment with a mission to promote zero waste environmental stewardship and green economic development. CERO believes it can have measurable impact boosting awareness and diversion rates for recycling and compostable waste in Boston neighborhood business districts.

CERO conducted a feasibility assessment, which led to the development of a two-phase plan for business sustainability and long-term growth. In Phase I, **CERO’s** source separation hauling and transfer business has potential for significant growth under anticipated market conditions by year three. In Phase II, **CERO** intends to develop an Eco-Energy Park, anchored by community scale anaerobic digestion technology (AD). This closed containment AD system would enable **CERO** to collect tipping fees for safely processing food waste into rich compost and clean biofuel for use in our own fleet. The Eco-Energy Park will also serve as a community-based incubator for additional recycling, compost and urban agricultural production businesses.

On November 15, 2013 **CERO** was incorporated in Massachusetts as an Employee Cooperative Corporation (under Massachusetts General Laws Part 1 Title XXII Chapter 157A) for the purpose of operating zero-waste business-to-business services advancing diversion of food waste and recyclables from landfill and incineration disposal. **CERO's** mailing address is 1532B Dorchester Avenue, Boston, MA 02122.

CERO's Vision

Community residents who are also active leaders with two local community-based organizations initiated **CERO**. The Boston Workers Alliance (BWA) and MassCOSH (Massachusetts Coalition for Occupational Safety & Health) are social justice nonprofits representing Black and Latino workers. These visionary leaders share an interest in providing needed environmental services in their neighborhoods while creating dignified, sustainable jobs in a worker-owned cooperative business where employees are both investors and owners. Unique as a bilingual, multicultural worker-owned cooperative, **CERO** founders are African American and Latinos, intent on providing workers of color a pathway into the new green economy.

CERO's business strategy intends to take early advantage of the new market for composting food waste and quickly producing living wage jobs with the Phase I hauling business. The Phase II Eco-Energy Park is in parallel development to position the company to grow with the anticipated need across the region for a varied food waste composting infrastructure.

Target Market

In July 2014 a Massachusetts Department of Environmental Protection-instituted ban will go into effect requiring all commercial entities that produce one or more tons of organic food waste per week to divert food waste from trash sent to landfill and incineration. **CERO** intends to focus on this new market and the increasing interest among businesses to comply with the ban, do well by the environment and save on trash disposal expenses.

CERO will provide source separation systems for diverting food waste and recyclables, customer training and disposal services that promote sustainable waste reduction and recycling practices.

CERO customers will be groceries, restaurants and institutions with food services in Boston neighborhoods. Larger businesses may include supermarket chains, a leading Asian grocery store, and university campus and hospital food services. In the neighborhood business districts, there are a variety of restaurants serving up Caribbean, Latin, Asian and Irish fare and **CERO** intends to market to these businesses. Some are long established and others moving into rapidly gentrifying areas throughout these communities. Increasingly, local businesses are attracted to opportunities that will enhance their appeal as a "green"

environmentally friendly business. Within **CERO's** anticipated target geographic areas there are more than 500 restaurants.

Competition

Several traditional trash hauling companies have competed in this market for decades. None are locally owned and none have established markets or contracts in food waste-to-compost. Currently there is little competition for business customers who want to reduce and recycle in any of these neighborhoods. There is only one company serving the relatively small number of cafes and restaurants attempting source-separation and recycling in Jamaica Plain. Some customers have indicated that they are less than satisfied with the existing service and may welcome a competitive bid from CERO.

Hauling companies currently operating in the area include Jet-A-Way, Waste Management and Capital Waste. They generally charge by weight or by volume or per pickup. Although regulation requires that the haulers offer recycling services, their customers report that the haulers do not recycle. We have only found two vendors, Save that Stuff and EOMS Services, offering all services including recyclables, food waste and waste vegetable oil (WVO) in greater Boston. These are CERO's most direct competitors. While both companies have some business in our target markets, we believe CERO can compete effectively on price and customer service. Discussions with planners at the Department of the Environmental Protection affirm that developing the necessary infrastructure for food waste diversion opens opportunity for established and new businesses.

In addition, CERO expects competitive advantage in its focused offering for food waste-to-compost, anticipated to launch early spring 2014. Even among businesses with current trash hauling contracts, none are under contract for diverted food waste collection. CERO is poised to lead the way and is quickly advancing partnership meetings with businesses to provide information and technical support for an early launch ahead of the ban deadline.

CERO's worker-owners include commercial truck drivers with experience in commercial grease collection, food service workers and organizers involved in community recycling and education. The worker-owners joined forces to establish a business equipped to serve a multicultural commercial sector that has not yet fully adopted green environmental practices. As a multicultural, bilingual cooperative business, CERO worker-owners are well equipped to provide culturally competent training to restaurant and grocery employees, key to effectively instituting new environmental practices. CERO members are neighborhood residents with a deep understanding of their communities and have been leaders in many community organizing efforts and are uniquely qualified to reach local business owners where they are also customers.

CERO's manager, Lor Holmes, hired in 2011 with a grant from the Barr Foundation, brought extensive nonprofit and business development expertise. CERO is a core member

of the Boston Recycling Coalition and the Zero Waste Task Force, and participates in DEP organics planning committee meetings in Boston.

After conducting research and a feasibility analysis CERO developed a business plan designed to leverage the opportunity posed by the upcoming implementation of the Mass. DEP 2014 food waste ban. CERO has obtained grants and loan commitments and completed a successful crowdsourcing campaign. Several restaurant, groceries and institutional food businesses have indicated they want to begin working with CERO. In addition, we have a commitment with City Soil to partner to deliver food waste collected from our customers to its Boston-based composting operation.

Marketing Plan

Over the past year, **CERO** has boosted visibility in the community and developed “fans” across Massachusetts and the country. Cooperative members are active collaborators in other organizations including the Boston Recycling Coalition, the Zero Waste Task Force and WORC’N (the network of worker owned co-ops in New England). **CERO** also provides zero waste stations at community events, educating residents while separating compostables and recyclables.

CERO’s successful Indiegogo crowd-sourcing campaign raised \$17,000 with donations from almost 300 individuals. The co-op hosted Cinar con CERO (dining with CERO) as a win-win with local restaurants who CERO expects will become customers. Members are often asked to make presentations at meetings and conferences throughout the area. The **CERO** website has been live since April 2013 and includes a compelling video highlighting member diversity and passion.

Current and anticipated marketing efforts:

- **Conduct waste assessments and offer technical assistance** to help larger groceries that will be required to divert food waste under the 2014 DEP ban.
- **Target early-adopter restaurants** interested in reducing waste and obtaining designation as “green” businesses, and those who support the Co-op’s identity, mission and vision.
- **Speed start up by launching a food waste-to-compost pilot** in partnership with as few as fifteen initial customers.
- **Partner with local Chambers of Commerce**, Boston Main Streets groups and green business associations to attract additional customers.
- **Compel business with competitive pricing.** CERO anticipates it will be able to reduce customer trash volume and need for pickups by at least 50% in the first year.
- **Provide no-cost technical assistance** for set up and culturally competent training for customers’ employees. All **CERO** haulers, sales and training staff, and office

personnel are worker-owners who take pride in providing the best in customer service.

Use of Offering Proceeds

If the Cooperative reaches the minimum raise amount of \$100,000, it will leverage the funds raised through the securities offering to seek a loan from the Recycling Loan Fund (RLF) to purchase trucks and a line of credit from the Cooperative Fund of New England (CFNE) for other operating expenses. The amount of the loan from RLF will vary depending on the amount of securities issued but is anticipated to be between \$100,000 and \$200,000 at 5-6 percent interest and will be secured by the trucks purchased. The amount of the line of credit from CFNE will vary depending on the amount of the securities issued but is anticipated to be between \$100,000 and \$200,000 at 5-8 percent interest. RLF and CFNE have indicated they would be willing to make loans to the Cooperative on the above terms should the minimum raise of \$100,000 be met but the loan agreements have yet to be finalized. The Cooperative intends to use the proceeds from the sale and issuance of its securities and these additional loans for the following purposes:

1) To purchase two rear loading compactor trucks

Both trucks will be late model compactors, painted and delivered by a recommended reputable dealer in Florida, with whom we have been in contact over several months. We anticipate paying approximately \$180,000 for the two trucks.

2) To pay wages, salaries, and benefits for employees during the startup phase

Co-op members will be equally compensated for their work at a rate of \$20 per hour. During the start up phase members understand and agree to work part time and without additional benefits in order to facilitate faster, pilot-level start up with fewer customers. As the company customer base and cash flow grows, we plan to increase worker hours to full time and pay health and other standard benefits. (See details in financial projections attached hereto.)

3) As working capital for equipment, marketing and business expenses.

CERO working capital expenses include interest on loans, insurance and fees, truck fuel, parking and maintenance. Equipment includes collection containers, bags, uniforms and other supplies. Other expenses for office and advertising include printing, telephones, tracking software, etc.

Additional proceeds from the sale and issuance of its securities raised will be used to expand services to a growing customer base. Increasing labor costs associated with hours required to serve more customers will be the primary expanded use of funds during the first two years of growth. Through ongoing performance monitoring and evaluation, the Cooperative will manage use of funds for most effective balances of cash flow, debt management and investment for growth.

Preferred Stock Attributes

The Cooperative is offering up to 14,000 shares of non-voting, non-convertible Preferred Stock (the “**Purchased Shares**”) at a price of \$25.00 Dollars per share (the “**Purchase Price**”). The minimum investment per investor is 100 shares (\$2,500.00).

There will be no variation in the kind and amount of securities to be offered, the price or the method by which it is to be computed. The purchase price may only be paid in cash.

Dividend Rights

Dividends shall be payable to holders of the Preferred Shares (“Preferred Holders”) when, as, and if declared by the Board of Directors. Annual dividends are not guaranteed but the Company has set a target dividend payment of 4 percent per year. Determination of whether dividend payments will be made is solely within the discretion of the Board of Directors. Dividends shall not be cumulative. Preferred Stock is not entitled to participation rights to distributions paid to Members.

Redemption By Cooperative

The Cooperative reserves the right to redeem any or all Preferred Shares at any time, at the sole discretion of the Board of Directors. If the Cooperative elects to redeem Preferred Shares, holders of the redeemed shares are entitled to receive an amount equal to the amount originally paid for the Preferred Shares as adjusted for any future stock splits, stock dividends, recapitalizations or the like (“Original Issue Price”) of their shares plus all declared but unpaid dividends (“Redemption Price”). The Cooperative will notify Preferred Holders of the Cooperative’s intention to redeem such Preferred Holders’ shares in writing thirty (30) days before the effective date of the redemption.

Redemption by Holder

Preferred Holders are entitled to request redemption of their Preferred Shares at the Redemption Price by submitting a written request for redemption to the Cooperative. If the Board of Directors determines that a requested redemption may impair the Cooperative’s ability to operate effectively, the Board of Directors may limit, postpone, or refuse the redemption.

Voting Rights

Preferred Holders shall have no voting rights, except as required by law.

Conversion Rights

The Preferred Shares are nonconvertible.

Restrictions on Transferability

Preferred Shares are nontransferable, except to the Cooperative.

Liquidation Rights

If the Cooperative is liquidated or dissolved, the funds and assets legally available to be distributed ("Available Funds and Assets") to the Cooperative's Members and Preferred Holders shall be distributed as follows:

- (a) first, to Preferred Holders, an amount equal to the Original Issue Price of their shares plus all declared but unpaid dividends; provided that if there are not sufficient Available Funds and Assets to pay the amount due to all Preferred Holders under this provision, the funds will be distributed on a pro rata basis according to the number of Preferred Shares owned;
- (b) second, if Available Funds and Assets remain after the liquidating distribution to the Preferred Holders described in paragraph (a), to the current Members an amount equal to the Members' Internal Capital Account balances; provided that if there are not sufficient Available Funds and Assets to pay the amount due to all Members under this provision, the funds will be distributed on a pro rata basis according to the Members' respective Internal Capital Account balances;
- (c) third, any remaining Available Funds and Assets shall be distributed to a green worker-owned cooperative or a cooperative movement organization to be selected by the Board of Directors.

Risk Factors

Generally

No Guarantee of Return - No assurance can be given that an investor will realize a substantial return on investment, or any return at all, or that an investor will not lose a substantial portion or all of the investment. For this reason, each prospective investor should carefully read this memorandum and all exhibits attached hereto and should consult with an attorney, accountant and/or business advisor prior to making any investment decision. PAYMENT OF DIVIDENDS AND REDEMPTION OF PREFERRED STOCK

IS AT THE DISCRETION OF THE BOARD - THE INVESTOR HAS NO RIGHT TO RECEIVE DIVIDENDS OR REDEMPTION. THE INVESTOR'S ONLY REMEDY IF THE COOPERATIVE FAILS TO PAY DIVIDENDS OR REDEEM STOCK IS LITIGATION.

EACH INVESTOR IS AWARE THAT AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE INVESTMENT, AND SUCH INVESTOR HAS CAREFULLY READ AND CONSIDERED THE FOLLOWING RISK FACTORS AND ALL MATTERS SPECIFIED IN THESE SUBSCRIPTION DOCUMENTS IN DETERMINING WHETHER OR NOT TO INVEST IN THE COMPANY AS SPECIFIED HEREIN. EACH INVESTOR UNDERSTANDS THAT THE FOLLOWING FACTORS ARE NOT AN ALL-INCLUSIVE LIST OF POSSIBLE RISKS INHERENT IN THE OFFERING.

Risks Related to An Investment in Our Company

Certain Factors May Affect Future Success. Any continued future success that the Company might enjoy will depend upon many factors including factors beyond our control and/or which cannot be predicted at this time. These factors may include but are not limited to: changes in general economic conditions; increases in operating costs; our ability to expand our customer base and retain key customers; and reduced margins caused by competitive pressures. These conditions may have a material adverse effect upon our business, operating results, and financial condition.

New Markets & Competition - CERO is entering the market as demand begins to rise for sustainable waste management practices. We expect that our early start in the new market of food waste diversion and recycling, strong community support for the Cooperative as a locally owned and operated business and a sound team and business plan will position us well for long term growth. However, increasing competition in this market could have a material adverse effect on our business, operating results and financial condition.

Changes in Public Policy - Local and State regulatory changes potentially create both opportunities and limitations related to the success of the Company. Currently, the City of Boston does not regulate waste management with commercial entities, other than to monitor compliance with health regulations as apply specifically to the operation of those commercial entities. Should this practice change, there could be either adverse or favorable impacts on our Company.

The Massachusetts Department of Environmental Protection (Mass DEP) develops and implements waste disposal practices, monitors haulers offloading at transfer stations, and institutes and enforces bans of specific materials to reduce volume and toxicity in landfills and incinerators. Mass DEP has promulgated the new ban requiring entities that produce more than one ton per week of food waste to divert that "organic waste" to appropriate composting or digestion disposal. We anticipate that this ban will open markets and expand in the coming years to impact smaller food related businesses over time but there

are risks that may have unpredictable results as businesses, customers and service industries proceed in the implementation.

Control of the Company - CERO Cooperative, Inc. is a worker-owned company. Control of the Company and all of its operations rest solely with the worker-owners, upon whose judgment and skills investors must rely.

Financial Statements Prepared by The Cooperative - The Cooperative prepared its financial statements internally. They have not been reviewed or audited by a certified public accountant. Although we engaged consultants knowledgeable in bookkeeping and cooperative management, based our assumptions upon rigorous research, and endeavored to make financial statements as accurate and clear as possible, the statements may contain errors and may lead investors to make false assumptions about the financial status of the Cooperative.

Tax Risks - No representation or warranty of any kind is made by the Cooperative, the officers, directors, counsel to the Cooperative, or any other professional advisors thereto with respect to any tax consequences of any investment in the Cooperative. EACH PROSPECTIVE INVESTOR SHOULD SEEK THE INVESTOR'S OWN TAX ADVICE CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

Borrowing Risks - The Cooperative plans to borrow funds to complete financing for equipment and working capital. Lender agreements may impose liens on assets or otherwise require the Cooperative to commit any or all available funds for repayment of debt to lenders.

Plan Of Distribution

This offering will be offered and sold on a minimum/maximum basis, with a minimum of \$100,000 and a maximum of \$350,000 to be raised. The offering will terminate one year from the date of commencement. Funds will be held in an impound account until the minimum is reached.

The Cooperative Board Members and employees will conduct the offering. They will not receive any special commission but may receive regular wages from CERO in the course of normal duties as CERO staff. The Cooperative will not employ any broker-dealers in connection with this offering nor offer any underwriting or selling discounts, commissions or finders' fees of any kind in connection with the offering.

CERO will advertise the offering using all available marketing channels including our web site, email, other social media and presentations. We may also utilize press releases and seek coverage from newspapers, radio and other media. All communications will direct

Investors to our offering memorandum. The Cooperative will offer and sell the Securities only to Massachusetts residents.

CERO Management, Ownership and Compensation

The founding worker-owners of the Cooperative have been working together to develop the business since November 2011. Each has invested hundreds of hours in “sweat equity” by educating themselves in all aspects of cooperative business development and the recycling industry, preparing **CERO’s** business plan, and developing **CERO’s** financing and market development plans.

The founding worker-owners, directors and officers of the Cooperative are listed below along with their contact information, description of role, ownership interest and salaries:

Steven Evans is a founding worker-owner of the Cooperative and serves as Secretary of the Cooperative. He is a member of the Cooperative’s Board of Directors. He was born and raised in Boston and instilled with an entrepreneurial spirit from an early age. He has worked for many years as an independent courier and trucker. Steven became involved in the recycling business through collecting waste vegetable oil from restaurants and has a strong interest in creating jobs in the community for community residents. He has previous experience as an entrepreneur, as the co-owner of a bicycle shop and a landscaping company, both based in Roxbury.

Steven is not currently being compensated. The Cooperative intends to pay Steven a salary of \$20 per hour once CERO achieves the minimum raise and business operations commence. Initially he will work part time and be paid on an hourly basis with the number of hours paid increasing up to full time salary as new customer service demand increases. In addition, the CERO board of directors has granted each founding worker-owner, who has been working without pay, \$4000 to cover the worker-owner’s initial capital contribution (currently set at \$4000 for each worker-owner) in consideration for the founding worker-owner’s “sweat equity” contributions to the Cooperative. The grant will vest 25% per year over four years provided that the founding worker-owner remains a Cooperative member over that time frame.

Steven’s mailing address is PO Box 220231, Boston, MA 02122. Steven’s role in the Cooperative is as a Founding member, Spokesperson and Sales Representative. Steven holds one share of common stock. Steven does not intend to subscribe to the securities covered by this registration. Steven has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Evelin Fuentes is a founding worker-owner of the Cooperative and serves as Treasurer of the Cooperative. She is a member of the Cooperative’s Board of Directors. She came to

Boston in 1988 from El Salvador, where she grew up inspired by her mother, who owned her own business. She has worked in the cleaning industry and in food services at college campuses. She has extensive retail experience and has earned a certificate in customer service.

Evelin is not currently being compensated. The Cooperative intends to pay Evelin a salary of approximately \$20 per hour once CERO achieves the minimum raise and business operations commence. Initially she will work part time and be paid on an hourly basis with the number of hours paid increasing to full time salary as new customer service demand increases. In addition, the CERO board of directors has granted each founding worker-owner, who has been working without pay, \$4000 to cover the worker-owner's initial capital contribution (currently set at \$4000 for each worker-owner) in consideration for the founding worker-owner's "sweat equity" contributions to the Cooperative. The grant will vest 25% per year over four years provided that the founding worker-owner remains a Cooperative member over that time frame.

Evelin's mailing address is PO Box 220231, Boston, MA 02122. Evelin's role in the Cooperative is as a Founding member, Spokesperson and Sales Representative. Evelin holds one share of common stock. Evelin does not intend to subscribe to the securities covered by this registration. Evelin has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Guadalupe Gonzalez serves on the Executive Committee for the MassCOSH Immigrant Workers' Center. She is a member of the Cooperative's Board of Directors. She has had a long career in the cleaning industry, where she served as shop steward in the Service Employees Industrial Union Local 615. She has been a neighborhood advocate for recycling in East Boston for many years.

Guadalupe is not currently being compensated and does not intend to become a worker-owner of the Cooperative. As one of the CERO founders, Guadalupe intends to remain an unpaid volunteer and a member of the Board of Directors.

Guadalupe's mailing address is PO Box 220231, Boston, MA 02122. Guadalupe's role in the Cooperative is as a Founding member, volunteer Spokesperson and member of the Board of Directors. Guadalupe does not intend to subscribe to the securities covered by this registration. Guadalupe has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Timothy Hall is a founding worker-owner of the Cooperative and is co-founder and a member of the board of directors for the Boston Workers Alliance, a social justice organization. He is a member of the Cooperative's Board of Directors. He is also founder of

Roxbury Green Power, a waste vegetable oil recycling business that was a predecessor to CERO. Born and raised in Boston, Tim appreciates the potential for cultural unity, environmental justice and green business. He is currently a student at Bunker Hill Community College majoring in entrepreneurship and web design. He is a US Army Veteran and has held a Commercial Driver's License for 30 years.

Timothy is not currently being compensated. The Cooperative intends to pay Timothy a salary of approximately \$20 per hour once CERO achieves the minimum raise and business operations commence. Initially he will work part time and be paid on an hourly basis with the number of hours paid increasing to full time salary as new customer service demand increases. In addition, the CERO board of directors has granted each founding worker-owner, who has been working without pay, \$4000 to cover the worker-owner's initial capital contribution (currently set at \$4000 for each worker-owner) in consideration for the founding worker-owner's "sweat equity" contributions to the Cooperative. The grant will vest 25% per year over four years provided that the founding worker-owner remains a Cooperative member over that time frame.

Timothy's mailing address is PO Box 220231, Boston, MA 02122. Timothy's role in the Cooperative is as a Founding member, Spokesperson and Sales Representative. Timothy holds one share of common stock. Timothy does not intend to subscribe to the securities covered by this registration. Timothy has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Josefina Luna is a founding worker-owner of the Cooperative and is President of the Cooperative. She is a member of the Cooperative's Board of Directors. Born in the Dominican Republic's north coast, she worked as teacher for 15 years and served as an elected official before moving to Boston in 1993. She has long been involved in political, trade union and cooperative activism participating in various community struggles from the DR to Boston. An environmental activist, Josefina currently serves as President of the Executive Committee of the MassCOSH Workers Center. Josefina attended Roxbury Community College and the University of Massachusetts, Boston. She has been working in the human services field in Boston for 20 years.

Josefina is not being compensated. The Cooperative intends to pay Josefina a salary of approximately \$20 per hour once CERO achieves the minimum raise and business operations commence. Initially she will work part time and be paid on an hourly basis with the number of hours paid increasing to full time salary as new customer service demand increases. In addition, the CERO board of directors has granted each founding worker-owner, who has been working without pay, \$4000 to cover the worker-owner's initial capital contribution (currently set at \$4000 for each worker-owner) in consideration for the founding worker-owner's "sweat equity" contributions to the Cooperative. The grant

will vest 25% per year over four years provided that the founding worker-owner remains a Cooperative member over that time frame.

Josefina's mailing address is PO Box 220231, Boston, MA 02122. Josefina's role in the Cooperative is as a Founding member, Spokesperson and Sales Representative. Josefina holds one share of common stock. Josefina does not intend to subscribe to the securities covered by this registration. Josefina has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Lor Holmes, MSCED, was hired as Business Manager by existing Cooperative members in October 2012 after MassCOSH and the Boston Workers Alliance obtained a grant from the Barr Foundation to manage business planning and start up of the Cooperative. She is a member of the Cooperative's Board of Directors. She received her Master's degree in community economic development from Southern New Hampshire University and has led economic development initiatives in Boston for over 20 years. She was founding executive director at HarborCOV, a nonprofit housing and human services organization in Chelsea, MA.

Lor Holmes is currently paid at the rate of \$24 per hour for 30 hours per week through the grant money received by MassCOSH and the Boston Workers Alliance. The Cooperative intends to continue to pay Lor \$20 per hour for full time work as Cooperative's operations increase and other worker-owners are equally compensated. Her responsibilities include managing CERO business development, administration and coordination of external relations and communications for the Cooperative.

Lor's mailing address is PO Box 220231, Boston, MA 02122. Lor holds one share of common stock. Lor does not intend to subscribe to the securities covered by this registration. Lor has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Stacey Cordeiro, MCP, is a member of the Cooperative's Board of Directors and was originally contracted by existing Cooperative members in September 2012 as a consultant to facilitate a co-op academy curriculum. Through this process participants learned about what it means to operate a worker-owned cooperative and support development of their bylaws and business plan. Stacy received her Master's degree in City Planning from the Massachusetts Institute of Technology.

Stacey Cordeiro is compensated for her consulting services at the rate of \$60 per hour and her current responsibilities include ongoing education and training, personnel policies and financial systems development for the Cooperative.

Stacey's mailing address is PO Box 220231, Boston, MA 02122. Stacey does not intend to subscribe to the securities covered by this registration. Stacey has not had any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years nor in any transaction proposed to be effected.

Owner of Record	Amount	% Ownership
Steven Evans	One share common stock	20%
Evelin Fuentes	One share common stock	20%
Timothy Hall	One share common stock	20%
Josefina Luna	One share common stock	20%
Lor Holmes	One share common stock	20%

Investor Requirements

General

This offering is made in reliance on the small offering exemption safe harbor of Rule 504 promulgated under the 1933 Securities Act ("the Securities Act") and the provisions for registration by qualification under the Massachusetts General Laws Part I, Title XV, Chapter 110A, Section 303 of the Massachusetts Securities Act and other applicable laws or regulations.

Investment in the Securities is highly speculative, involves risks, and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of their investment. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Cooperative is appropriate.

Suitability Requirements

Sales of the Company's Preferred Share may not exceed 10% of the investor's liquid net worth (excluding the value of home, home furnishings and automobiles).

Each investor will be required to make certain representations and warranties to the Company and to agree to indemnify, hold harmless, and pay all fees and expenses that are incurred by, and all judgments and claims made against the Cooperative, its affiliates and counsel for any liability that is incurred as a result of any misrepresentation made by the investor.

The Cooperative may reject subscriptions, in whole or in part, at its absolute discretion.

No Revocation

Once a person has executed a Subscription Agreement and submitted funds, such subscription may not be revoked without the consent of the Company.

How to Purchase Preferred Shares

1. Review this Offering Memorandum, the Subscription Agreement and all exhibits.
2. Complete the blanks on the Signature Page of the Subscription Agreement. The Subscription Agreement must be executed by an individual authorized to bind the Investor (if an entity).
3. Write a check payable to "CERO Cooperative, Inc., Escrow Account" for the number of shares you wish to purchase (note: this amount must be at least \$2,500) and send the check and the SIGNED Subscription Agreement to CERO at the address specified in the Subscription Agreement. If the Minimum Raise Amount has been reached and offering proceeds have been released from Escrow, checks shall be made payable to the CERO Cooperative, Inc. Wired funds shall be wired in accordance with the instructions in the wire instructions attached to the Subscription Agreement. Note that fractional shares will not be sold.
4. The Cooperative will mail you a copy of your share certificate. Important: Your investment has not been accepted by the Cooperative until you receive a share certificate from the Cooperative. The Cooperative reserves the right to reject any prospective investment for any reason.

If you don't hear from us within 14 days of sending in your subscription, please contact us to make sure we received it.

Financial Matters

The Cooperative plans to begin operations in 2014. Financial projections are attached.

Litigation and Legal Matters

The Cooperative is not presently party to any litigation nor, to the knowledge of management, is any litigation threatened against the Cooperative, any of its management, or any affiliate, which may materially affect operations or projected goals.

Restrictions

OTHER INFORMATION IS NOT AUTHORIZED.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE COMPANY OR THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THE INFORMATION IN THIS MEMORANDUM SUPERSEDES AND REPLACES IN ITS ENTIRETY ANY INFORMATION PREVIOUSLY DISTRIBUTED TO, PROVIDED TO, OR VIEWED BY ANY INVESTOR.

WITHDRAWAL, CANCELLATION OR MODIFICATION

THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION, OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. OFFERS TO PURCHASE THESE SECURITIES MAY BE REJECTED IN WHOLE OR IN PART BY THE COMPANY AND NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF THE SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR INVESTOR IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

THE STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE EFFECTIVE DATE UNLESS OTHERWISE SPECIFIED.

NO WARRANTY OF PROJECTIONS OR ASSUMPTIONS

Projections concerning the business or financial affairs of the Cooperative that may be provided to prospective investors, including without limitation those set forth in this Memorandum and its exhibits, are for illustrative purposes only. These projections are based upon assumptions that management of the Cooperative believes to be reasonable. However, there can be no assurance that actual events will correspond to the assumptions, and the projections should be viewed merely as financial possibilities based on the assumptions stated and not as a prediction or guarantee of future performance. The assumptions upon which these projections are based should be carefully reviewed by each prospective investor. Projections or conclusions regarding the financial condition of the Cooperative, including projections regarding the profitability of the Cooperative, may be substantially adversely affected by variances from the assumptions made by the Cooperative.

FORWARD-LOOKING STATEMENTS

This statement is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. THIS MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS. FROM TIME TO TIME, ADDITIONAL WRITTEN FORWARD LOOKING STATEMENTS MAY BE MADE BY THE COMPANY. SUCH FORWARD LOOKING STATEMENTS ARE WITHIN THE MEANING OF THAT TERM IN SECTION 27A OF THE SECURITIES ACT AND MAY INCLUDE PROJECTIONS OF REVENUES, INCOME OR LOSS, CAPITAL EXPENDITURES, BUSINESS RELATIONSHIPS, FINANCINGS, PROPOSED FINANCINGS OR INVESTMENTS BY THIRD PARTIES, PRODUCT DEVELOPMENT, PLANS FOR FUTURE OPERATIONS, PLANS RELATING TO PRODUCTS OF THE COMPANY, AS WELL AS ASSUMPTIONS RELATING TO THE FOREGOING. SUCH STATEMENTS ARE BASED UPON MANAGEMENT'S CURRENT EXPECTATIONS, BELIEFS, AND ASSUMPTIONS ABOUT FUTURE EVENTS, AND ARE OTHER THAN STATEMENTS OF HISTORICAL FACT AND INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES.

THE WORDS "BELIEVE," "EXPECT," "INTEND," "ANTICIPATE," "ESTIMATE," "PROJECT." AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THE STATEMENT WAS MADE, BUT ARE NOT THE EXCLUSIVE MEANS OF IDENTIFYING SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO RISKS AND UNCERTAINTIES, SOME OF WHICH CANNOT BE PREDICTED OR QUANTIFIED. FUTURE EVENTS AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN, CONTEMPLATED BY, OR UNDERLYING THE FORWARD-LOOKING STATEMENTS. STATEMENTS IN THIS MEMORANDUM -- INCLUDING THOSE CONTAINED IN THE SECTION ENTITLED "RISK FACTORS" -- DESCRIBE FACTORS, AMONG OTHERS, THAT COULD CONTRIBUTE TO OR CAUSE SUCH DIFFERENCES.

CERO Co-op - Income Statement

	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018
INCOME					
Income from Pickup Services [2]					
- small compost-only [3]	\$67,600	\$160,680	\$198,600	\$238,652	\$280,927
- large compost-only [3]	\$83,958	\$267,800	\$413,751	\$568,218	\$731,581
Total Income from Pickups	\$151,558	\$428,480	\$612,351	\$806,870	\$1,012,508
TOTAL INCOME	\$151,558	\$428,480	\$612,351	\$806,870	\$1,012,508
COST OF GOODS SOLD [4]					
Burdened Labor Cost: Drivers & Helpers	\$28,288	\$75,825	\$104,133	\$134,071	\$165,712
Burdened Labor Cost: Education & Training	\$16,302	\$45,954	\$65,538	\$86,255	\$108,157
Tipping Fees	\$16,085	\$46,619	\$67,789	\$90,188	\$113,869
Cost of Diesel Fuel	\$1,943	\$5,389	\$7,596	\$9,931	\$12,400
Container Costs	\$4,531	\$13,133	\$19,096	\$25,406	\$32,077
TOTAL COST OF GOODS	\$67,149	\$186,920	\$264,153	\$345,851	\$432,214
GROSS PROFIT	\$84,409	\$241,560	\$348,199	\$461,018	\$580,293
GROSS MARGIN	56%	56%	57%	57%	57%
OVERHEAD EXPENSES					
Burdened Labor - General Manager [5]	\$53,491	\$59,559	\$61,345	\$63,186	\$65,081
Burdened Labor - Sales People [5]	\$40,118	\$59,559	\$61,345	\$78,982	\$97,622
Burdened Labor - Office Worker [5]	\$0	\$0	\$0	\$25,274	\$39,049
Rent - Office	\$4,800	\$9,888	\$10,185	\$10,490	\$10,805
Garaging for trucks	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753
Equipment Repair & Maintenance [6]	\$1,463	\$4,058	\$3,663	\$3,445	\$5,589
Equipment & Supplies	\$417	\$412	\$637	\$874	\$1,126
General Liability Insurance	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428
Vehicular Insurance	\$4,800	\$4,944	\$5,092	\$5,245	\$5,402
Phone	\$1,400	\$2,472	\$2,546	\$2,623	\$2,701
Web Hosting	\$240	\$247	\$255	\$262	\$270
Internet Access	\$385	\$680	\$700	\$721	\$743
Payroll Service	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026
Printing & Copying	\$240	\$247	\$255	\$262	\$270
Advertising	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701
Legal fees & licenses	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400
Year End Accounting & Taxes	\$2,000	\$2,100	\$2,200	\$2,300	\$2,400
Consulting & Professional Support	\$8,000	\$6,000	\$4,000	\$2,000	\$2,000
Sales Travel Expense	\$799	\$823	\$848	\$873	\$900
Depreciation - Fixed Assets [7]	\$15,000	\$30,000	\$37,957	\$45,914	\$45,914
Amortization - Startup Costs [7]	\$6,241	\$12,483	\$12,483	\$12,483	\$12,483
CCF Loan Interest Payments [8]	\$1,585	\$1,553	\$1,515	\$1,474	\$1,430

CERO Co-op - Income Statement

CFNE Loan Interest Payments [8]	\$5,927	\$5,763	\$5,588	\$5,402	\$5,205
Recycling Loan Interest Payments [8]	\$4,336	\$3,744	\$3,128	\$2,487	\$1,819
Vehicle Finance Loan Interest Payments [8]	\$0	\$0	\$2,922	\$3,744	\$1,716
TOTAL OVERHEAD EXPENSES	\$169,041	\$222,935	\$235,686	\$287,699	\$322,833
PROFIT BEFORE TAXES & DISTRIBUTIONS	-\$84,632	\$18,626	\$112,513	\$173,319	\$257,461
PROFIT MARGIN	-56%	4%	18%	21%	25%
<i>[1] annual inflation rate assumed: 3%</i>					
<i>[2] see Exhibit B: Pricing</i>					
<i>[3] see Exhibit D: Customer Mix</i>					
<i>[4] see Exhibit C: Cost of Goods Sold</i>					
<i>[5] see Exhibit E: Personnel</i>					
<i>[6] see Exhibit G: Repair & Maintenance Costs</i>					
<i>[7] see Exhibit F: Fixed Assets</i>					
<i>[8] see Exhibit I: Amortization Schedules</i>					

CERO Co-op - Balance Sheet

	6/1/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS						
Cash	\$200,000	\$110,989	\$144,835	\$223,831	\$378,207	\$585,280
Fixed Assets - Trucks [1]	\$150,000	\$150,000	\$150,000	\$229,568	\$229,568	\$229,568
Less Accumulated Depreciation [1]		-\$15,000	-\$45,000	-\$82,957	-\$128,870	-\$174,784
Other Assets - Startup Costs [2]	\$187,245	\$187,245	\$187,245	\$187,245	\$187,245	\$187,245
Less Accumulated Amortization		-\$6,241	-\$18,724	-\$31,207	-\$43,690	-\$56,173
TOTAL ASSETS	\$537,245	\$426,993	\$418,355	\$526,479	\$622,459	\$771,135
LIABILITIES						
CCF Loan [3]	\$20,000	\$19,577	\$19,119	\$18,624	\$18,087	\$17,505
CFNE Loan [3]	\$100,000	\$97,330	\$94,496	\$91,486	\$88,292	\$84,900
Recycling Loan [3]	\$115,000	\$100,473	\$85,353	\$69,618	\$53,242	\$36,198
Vehicle Loan [3]	\$0	\$0	\$0	\$52,161	\$40,080	\$27,381
TOTAL LIABILITIES	\$235,000	\$217,380	\$198,969	\$231,889	\$199,700	\$165,984
EQUITY						
Members' Shares	\$20,000	\$20,000	\$24,000	\$24,000	\$32,000	\$32,000
Members' Internal Capital Accounts [4]	\$0	\$0	\$6,519	\$45,898	\$106,560	\$196,671
Indivisible Reserves (Retained Earnings) [4]	\$82,245	-\$10,387	-\$11,133	\$24,691	\$84,199	\$176,480
Outside Investors	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
TOTAL EQUITY	\$302,245	\$209,613	\$219,386	\$294,589	\$422,759	\$605,151
TOTAL LIABILITIES & EQUITY	\$537,245	\$426,993	\$418,355	\$526,479	\$622,459	\$771,135
Current Ratio	2.29	1.96	2.10	2.27	3.12	4.65
Debt:Equity	78%	104%	91%	79%	47%	27%
[1] see Exhibit F: Fixed Assets						
[2] see Exhibit A: Startup Costs						
[3] see Exhibit I: Amortization Schedules						
[4] see Exhibit H: Profit Distributions						

CERO Co-op - Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
	2014	2015	2016	2017	2018
STARTING CASH	200,000	110,989	144,835	223,831	378,207
CASH FLOW FROM OPERATIONS					
Net Income	(84,632)	18,626	112,513	173,319	257,461
Taxes Paid	0	(1,863)	(11,251)	(17,332)	(25,746)
Add Back Depreciation [1]	15,000	30,000	37,957	45,914	45,914
Add Back Amortization [2]	6,241	12,483	12,483	12,483	12,483
NET CASH FLOW FROM OPERATIONS	(63,391)	59,246	151,701	214,384	290,111
CASH FLOW FROM FINANCING					
Principal Payments - CCF Loan [3]	(423)	(458)	(496)	(537)	(582)
Principal Payments - CFNE Loan [3]	(2,670)	(2,834)	(3,009)	(3,195)	(3,392)
Principal Payments - Recycling Loan [3]	(14,527)	(15,119)	(15,735)	(16,376)	(17,043)
Principal Payments - Vehicle Finance [3]	0	0	(11,493)	(12,081)	(12,699)
Patronage Allocations to Members [4]	0	(9,313)	(56,256)	(86,659)	(128,730)
Dividend Payments to Investors [4]	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Interest paid on Members' Retained Patronage (3%)	0	(196)	(1,181)	(1,820)	(2,703)
NET CASH FLOW FROM FINANCING	(25,620)	(35,920)	(96,171)	(128,669)	(173,150)
CASH FLOW FROM INVESTING					
Purchase of fixed assets [1]	0	0	(15,914)	0	0
Member Shares Purchased	0	4,000	0	8,000	0
Member Reinvestment - Retained Patronage	0	6,519	39,379	60,662	90,111
NET CASH FLOW FROM INVESTING	0	10,519	23,466	68,662	90,111
NET CASH	(89,011)	33,845	78,996	154,377	207,073
ENDING CASH	110,989	144,835	223,831	378,207	585,280
<i>[1] see Exhibit F: Fixed Assets</i>					
<i>[2] see Exhibit A: Startup Costs</i>					
<i>[3] see Exhibit I: Amortization Schedules</i>					
<i>[4] see Exhibit H: Profit Distribution</i>					

	BUDGET
	TOTAL
Sources of Funds	
Membership fees - initial members	\$16,000
Outside Investors - DPO	\$200,000
Grant: Boston Rising	\$5,000
Grant: Barr Foundation	\$60,000
Donors: IndieGogo Campaign	\$16,950
Loan from Co-op Capital Fund	\$20,000
Loan from CFNE	\$100,000
Loan from Recycling Loan Fund	\$115,000
Loan from BWA	\$9,471
Loan from MassCOSH	\$21,005
Misc. Donors	\$295
Cash investment by Manager	\$4,000
	\$567,720
Uses of Funds	
Member contributed time in development	\$16,000
Member Time - development/sales staffing	\$15,000
Lawyer's Fee for Articles & Bylaws	\$3,000
Legal Fees: EIN	\$128
Legal Fees: Articles of Incorporation	\$265
Printing & Copying	\$3,000
Web Site & Graphic Design- Quilted	\$4,000
Videographer - Kelly Creedon	\$3,600
Legal Fees: DPO	\$20,000
Cost of Fundraising Perks	\$1,083
Indiegogo fees	\$1,796
Co-op Academy 2012	\$3,600
Consulting - BCCO 2013	\$12,000
Travel Costs	\$1,500
Trucks	\$150,000
Working Capital	\$200,000
Startup Manager's Time	\$76,802
Startup Manager's Benefits	\$9,471
Merch - t-shirts, uniforms	\$3,000
MassCOSH Loan Repayment	\$21,005
BWA Loan Repayment	\$9,471
Consulting - Marketing/Sales	\$4,000
Event expenses	\$1,500
Licenses & Fees	\$1,500
Education & Training	\$6,000
	\$567,720
Startup Costs to Depreciate	\$187,245
Depreciation period in years:	15
Depreciation per year	\$12,483

CERO Co-op - Exhibit B: Pricing

	Typical Small Customer	Typical Large Customer
Total current disposal costs per month - potential customers	\$300	\$1,200
Estimated percent of disposal cost saved by diverting organic waste	50%	50%
Estimated disposal costs after diverting organics	\$150	\$600
Cost of CERO organics diversion	\$260	\$542
Total estimated disposal costs including organics diversion	\$410	\$1,142
Percent Increase (+) or Decrease (-) in disposal costs	37%	-5%

CERO Co-op - Exhibit C: Cost of Goods Sold

			inputs
			calculations
	Costs in Year 1		
	Small, Compost Only	Large, Compost Only	
<u>Income per Customer</u>			
Pickups per week	1	1	
Charge per pickup, first year	\$60	\$125	
Monthly income per customer, pickup charges	\$260	\$542	
Total Monthly Income per Customer	\$260	\$542	
<u>Direct Costs/Cost of Goods Sold per Customer</u>			
Hours required per pickup	0.33	0.33	
Hours per day required for tipping	1	1	
Hours per day required for pickup/dropoff	1	1	
Hours per shift	8	8	
Hours available for pickups	6	6	
Number of pickups possible per shift	18	18	
Number of workers per truck	1.25	1.25	
Labor cost per shift	\$286	\$286	
Labor cost per customer, per pickup	\$16	\$16	
Labor cost per customer, per month, pickups	\$68	\$68	
Hours per month spent on education & training, per customer	1	2	
Labor cost per customer, per month, education	\$29	\$57	
gallons per tote	64	64	
gallons per cubic yard	202	202	
# totes needed for compost	1	3	
organics pounds per gallon	4	4	
Pounds of organics per customer per week	256	768	
Pounds of organics per customer per month	1,109	3,328	
Tons of organics per customer per month	0.55	1.66	
Tipping fee per ton of organics	\$40	\$40	
Monthly tipping per customer, organics	\$22	\$67	
Vehicle miles travelled per pickup	1	2	
Avg miles per hour travelled during tipping & starts	12	12	
Average miles travelled per shift, aside from pickups	12	12	
Total vehicle miles travelled per pickup	1.66	2.66	
Vehicle miles per gallon	8	8	
Gallons of fuel used per pickup	0.21	0.33	
Cost of diesel fuel, year one	\$4.25	\$4.25	
Cost of fuel per pickup	\$0.88	\$1.41	
Cost of fuel per customer per month	\$3.82	\$6.12	
Cost per tote, to replace totes once per year	\$75	\$75	
Monthly cost per customer for totes	\$6.25	\$18.75	
Total cost of goods per customer	\$129	\$217	
Gross Profit per customer	\$131	\$325	
Gross Margin	50%	60%	

CERO Co-op - Exhibit C: Cost of Goods Sold

SUMMARY			
INCOME PER CUSTOMER PER MONTH			
- customer fees	\$260	\$542	
- sale of WVO			
- sale of cardboard			
TOTAL INCOME	\$260	\$542	
COGS PER CUSTOMER PER MONTH			
- pickup labor	\$68	\$68	
- education labor	\$29	\$57	
- tipping fees	\$22	\$67	
- fuel costs	\$4	\$6	
- container costs	\$6	\$19	
TOTAL COGS	\$129	\$217	
GROSS PROFIT	\$131	\$325	
GROSS MARGIN	50%	60%	

			Year 1	Year 2	Year 3	Year 4	Year 5
	Pilot Period Jan-May 2014	Startup June-Dec 2014	Total 2014	2015	2016	2017	2018
Number Small, Compost Only Customers	10	30		50	60	70	80
Number Large, Compost Only Customers	3	20		40	60	80	100
Total Customers	13	50		90	120	150	180
Monthly Gross Profit: small, compost only	\$1,310	\$3,929		\$6,549	\$7,859	\$9,168	\$10,478
Monthly Gross Profit: large, compost only	\$975	\$6,497		\$12,995	\$19,492	\$25,990	\$32,487
Monthly Gross Profit, total	\$2,284	\$10,427		\$19,544	\$27,351	\$35,158	\$42,965
Months in period	5	7	12	12	12	12	12
Gross Profit per period	\$11,422	\$72,987	\$84,409	\$234,525	\$328,211	\$421,897	\$515,583

CERO Co-op - Exhibit E: Personnel

	Year 1		Year 2	Year 3	Year 4	Year 5
	Pilot Period Jan-May 2014	Startup June-Dec 2014	2015	2016	2017	2018
Shifts per week: Drivers	0.90	3.47	6.25	8.33	10.42	12.50
Shifts per worker	0.90	3.47	5.00	5.00	5.00	5.00
Drivers Required	1	1	1.25	1.67	2.08	2.5
Hours per month: Education	16	70	130	180	230	280
Hours per week: Education	4	16	30	42	53	65
Weekly hours per worker	4	16	30	40	40	40
Educators Required	1	1	1	1.04	1.33	1.62
General Managers Required	1	1	1	1	1	1
General Manager Hours per week	40	40	40	40	40	40
Sales Hours per week	30	30	40	40	50	60
Weekly hours per worker	15	15	20	20	25	30
Sales People Required	2	2	2	2	2	2
Office Admin Hours per week	0	0	0	0	16	24
Weekly hours per worker	15	15	20	20	25	30
Office Admin Workers Required	0	0	0.00	0.00	0.64	0.80
Worker Equivalents Required	5	5	5.25	5.71	7.05	7.92
TOTAL MEMBERS REQUIRED	5	5	6	6	8	8
Hourly Wages: Field Workers	\$20.00	\$20.00	\$20.60	\$21.22	\$21.85	\$22.51
Hourly Wages: Office Workers	\$20.00	\$20.00	\$20.60	\$21.22	\$21.85	\$22.51
Benefits	10%	35%	35%	35%	35%	35%
Worker's Comp Rate: Field Workers	8%	8%	8%	8%	8%	8%
Worker's Comp Rate: Office Workers	4%	4%	4%	4%	4%	4%
Burdened Labor Rate: Field Workers	\$23.60	\$28.60	\$29.46	\$30.34	\$31.25	\$32.19
Burdened Labor Rate: Office Workers	\$22.80	\$27.80	\$28.63	\$29.49	\$30.38	\$31.29

CERO Co-op - Exhibit F: Fixed Assets

Recovery Period in Years:			5				
			Year 1	Year 2	Year 3	Year 4	Year 5
			2014	2015	2016	2017	2018
Number of pickups required per week			50	90	120	150	180
Number of pickups one truck can do in a shift			18	18	18	18	18
Number of shifts per day			1	1	1	1	1
Number of days in work week			5	5	5	5	5
Number trucks needed for pickups			0.55	0.99	1.32	1.65	1.98
Number trucks needed for backup			1	1	1	1	1
Number of trucks needed in total			2	2	3	3	3
Trucks placed in service			2	0	1	0	0
Cost of one truck			\$75,000	\$77,250	\$79,568	\$81,955	\$84,413
Purchase: Cash or Finance			Cash	Finance	Finance	Finance	Finance
% down			-	20%	20%	20%	20%
Fixed Asset Purchases	Fixed Asset		\$150,000	\$0	\$15,914	\$0	\$0
Fixed Asset amount financed			\$0	\$0	\$63,654	\$0	\$0
Total Assets			\$150,000	\$150,000	\$229,568	\$229,568	\$229,568
Depreciation of Year 1 Assets			\$15,000	\$30,000	\$30,000	\$30,000	\$30,000
Depreciation of Year 2 Assets			\$0	\$0	\$0	\$0	\$0
Depreciation of Year 3 Assets			\$0	\$0	\$7,957	\$15,914	\$15,914
Depreciation of Year 4 Assets			\$0	\$0	\$0	\$0	\$0
Depreciation of Year 5 Assets			\$0	\$0	\$0	\$0	\$0
Total Depreciation			\$15,000	\$30,000	\$37,957	\$45,914	\$45,914
Accumulated Depreciation			\$15,000	\$45,000	\$82,957	\$128,870	\$174,784
Net Asset Value			\$135,000	\$105,000	\$146,611	\$100,697	\$54,784

	Year 1	Year 2	Year 3	Year 4	Year 5
	2014	2015	2016	2017	2018
Vehicle Miles traveled, all trucks	3,657	9,849	13,478	17,108	20,738
TRUCK A	1	1	1	1	1
Beginning Mileage	0	1,828	6,753	11,246	16,948
Miles Traveled	1,828	4,924	4,493	5,703	6,913
Ending Mileage	1,828	6,753	11,246	16,948	23,861
Estimated maintenance cost per miles traveled	\$0.40	\$0.41	\$0.20	\$0.20	\$0.30
Estimated maintenance cost, yearly	\$731.38	\$2,028.8	\$878.31	\$1,148.2	\$2,077.4
TRUCK B	1	1	1	1	1
Beginning Mileage	0	1,828	6,753	11,246	16,948
Miles Traveled	1,828	4,924	4,493	5,703	6,913
Ending Mileage	1,828	6,753	11,246	16,948	23,861
Estimated maintenance cost per miles traveled	\$0.40	\$0.41	\$0.20	\$0.20	\$0.30
Estimated maintenance cost, yearly	\$731.38	\$2,028.8	\$878.31	\$1,148.2	\$2,077.4
Truck C	0	0	1	1	1
Beginning Mileage	0	0	0	4,493	10,195
Miles Traveled	0	0	4,493	5,703	6,913
Ending Mileage	0	0	4,493	10,195	17,108
Estimated maintenance cost per miles traveled	\$0.40	\$0.41	\$0.42	\$0.20	\$0.21
Estimated maintenance cost, yearly	\$0.00	\$0.00	\$1,906.5	\$1,148.2	\$1,433.6
Total Repairs & Maintenance Costs, Fleet	\$1,463	\$4,058	\$3,663	\$3,445	\$5,589
Estimated Repair Costs per mile [1]					
Odometer Reading under:	2014 [2]	2015	2016	2017	2018
10000	\$0.40	\$0.41	\$0.42	\$0.44	\$0.45
20000	\$0.18	\$0.19	\$0.20	\$0.20	\$0.21
30000	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30
40000	\$0.42	\$0.43	\$0.45	\$0.46	\$0.47
50000	\$0.57	\$0.58	\$0.60	\$0.62	\$0.64
60000	\$0.83	\$0.86	\$0.88	\$0.91	\$0.94
over 60000	\$1.19	\$1.22	\$1.26	\$1.30	\$1.34
<p>[1] Automotive Fleet, March 2010, p. 24 (http://www.automotive-fleet.com/fc_resources/af0310-16-maintenance.pdf)</p> <p>[2] An Analysis of the Operational Costs of Trucking: A 2012 Update, American Transportation Research Institute, p. 13 (http://www.glostone.com/wp-content/uploads/2012/09/ATRI-Operational-Costs-of-Trucking-2012.pdf)</p>					

	Total Year 1	Year 2	Year 3	Year 4	Year 5
	2014	2015	2016	2017	2018
PROFIT BEFORE TAXES & DISTRIBUTIONS	-\$84,632	\$18,626	\$112,513	\$173,319	\$257,461
If a profit, percent retained in collective account (If a loss, 100% of loss is allocated to collective per bylaws)	50%	50%	50%	50%	50%
Allocated to Collective Profit	-\$84,632	\$9,313	\$56,256	\$86,659	\$128,730
Expected Tax rate	20%	20%	20%	20%	20%
Expected Tax due	\$0	\$1,863	\$11,251	\$17,332	\$25,746
Collective Net Profit After Taxes	-\$84,632	\$7,450	\$45,005	\$69,328	\$102,984
Allocated to Members' Individual Profit/Patronage Refund	\$0	\$9,313	\$56,256	\$86,659	\$128,730
Percent paid in cash	0%	30%	30%	30%	30%
Patronage Refund paid in cash	\$0	\$2,794	\$16,877	\$25,998	\$38,619
Patronage Refund retained - notices of allocation	\$0	\$6,519	\$39,379	\$60,662	\$90,111
Distributions to Investors at 4%	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000

CERO Co-op - Exhibit I: Amortization Schedule - CCF Loan

Comment			Value	Variable		
Loan Amount			\$20,000.00	pv		
Annual Interest Rate			8.0%			
Payments per year			12			
Rate per period			0.67%	rate		
Number of years			20			
						fixed monthly payment
Total Number of payments			240	nper		
Payment			(\$167.29)	payment		
		Period	Principal	Interest	Balance	
		0			\$20,000.00	
2014	Jan	1	(\$33.95)	(\$133.33)	\$19,966.05	(\$167.29)
	Feb	2	(\$34.18)	(\$133.11)	\$19,931.86	(\$167.29)
	Mar	3	(\$34.41)	(\$132.88)	\$19,897.46	(\$167.29)
	Apr	4	(\$34.64)	(\$132.65)	\$19,862.82	(\$167.29)
	May	5	(\$34.87)	(\$132.42)	\$19,827.95	(\$167.29)
	Jun	6	(\$35.10)	(\$132.19)	\$19,792.85	(\$167.29)
	Jul	7	(\$35.34)	(\$131.95)	\$19,757.51	(\$167.29)
	Aug	8	(\$35.57)	(\$131.72)	\$19,721.94	(\$167.29)
	Sep	9	(\$35.81)	(\$131.48)	\$19,686.13	(\$167.29)
	Oct	10	(\$36.05)	(\$131.24)	\$19,650.08	(\$167.29)
	Nov	11	(\$36.29)	(\$131.00)	\$19,613.80	(\$167.29)
	Dec	12	(\$36.53)	(\$130.76)	\$19,577.27	(\$167.29)
2015	Jan	13	(\$36.77)	(\$130.52)	\$19,540.49	(\$167.29)
	Feb	14	(\$37.02)	(\$130.27)	\$19,503.48	(\$167.29)
	Mar	15	(\$37.26)	(\$130.02)	\$19,466.21	(\$167.29)
	Apr	16	(\$37.51)	(\$129.77)	\$19,428.70	(\$167.29)
	May	17	(\$37.76)	(\$129.52)	\$19,390.93	(\$167.29)
	Jun	18	(\$38.02)	(\$129.27)	\$19,352.92	(\$167.29)
	Jul	19	(\$38.27)	(\$129.02)	\$19,314.65	(\$167.29)
	Aug	20	(\$38.52)	(\$128.76)	\$19,276.13	(\$167.29)
	Sep	21	(\$38.78)	(\$128.51)	\$19,237.35	(\$167.29)
	Oct	22	(\$39.04)	(\$128.25)	\$19,198.31	(\$167.29)
	Nov	23	(\$39.30)	(\$127.99)	\$19,159.01	(\$167.29)
	Dec	24	(\$39.56)	(\$127.73)	\$19,119.45	(\$167.29)
2016	Jan	25	(\$39.83)	(\$127.46)	\$19,079.62	(\$167.29)
	Feb	26	(\$40.09)	(\$127.20)	\$19,039.53	(\$167.29)
	Mar	27	(\$40.36)	(\$126.93)	\$18,999.17	(\$167.29)
	Apr	28	(\$40.63)	(\$126.66)	\$18,958.55	(\$167.29)
	May	29	(\$40.90)	(\$126.39)	\$18,917.65	(\$167.29)
	Jun	30	(\$41.17)	(\$126.12)	\$18,876.48	(\$167.29)
	Jul	31	(\$41.44)	(\$125.84)	\$18,835.03	(\$167.29)
	Aug	32	(\$41.72)	(\$125.57)	\$18,793.31	(\$167.29)
	Sep	33	(\$42.00)	(\$125.29)	\$18,751.31	(\$167.29)
	Oct	34	(\$42.28)	(\$125.01)	\$18,709.03	(\$167.29)
	Nov	35	(\$42.56)	(\$124.73)	\$18,666.47	(\$167.29)
	Dec	36	(\$42.84)	(\$124.44)	\$18,623.63	(\$167.29)
2017	Jan	37	(\$43.13)	(\$124.16)	\$18,580.50	(\$167.29)
	Feb	38	(\$43.42)	(\$123.87)	\$18,537.08	(\$167.29)
	Mar	39	(\$43.71)	(\$123.58)	\$18,493.37	(\$167.29)
	Apr	40	(\$44.00)	(\$123.29)	\$18,449.37	(\$167.29)
	May	41	(\$44.29)	(\$123.00)	\$18,405.08	(\$167.29)
	Jun	42	(\$44.59)	(\$122.70)	\$18,360.49	(\$167.29)
	Jul	43	(\$44.88)	(\$122.40)	\$18,315.61	(\$167.29)

CERO Co-op - Exhibit I: Amortization Schedule - CCF Loan

	Aug	44	(\$45.18)	(\$122.10)	\$18,270.42	(\$167.29)
	Sep	45	(\$45.49)	(\$121.80)	\$18,224.94	(\$167.29)
	Oct	46	(\$45.79)	(\$121.50)	\$18,179.15	(\$167.29)
	Nov	47	(\$46.09)	(\$121.19)	\$18,133.06	(\$167.29)
	Dec	48	(\$46.40)	(\$120.89)	\$18,086.66	(\$167.29)
2018	Jan	49	(\$46.71)	(\$120.58)	\$18,039.95	(\$167.29)
	Feb	50	(\$47.02)	(\$120.27)	\$17,992.92	(\$167.29)
	Mar	51	(\$47.34)	(\$119.95)	\$17,945.59	(\$167.29)
	Apr	52	(\$47.65)	(\$119.64)	\$17,897.94	(\$167.29)
	May	53	(\$47.97)	(\$119.32)	\$17,849.97	(\$167.29)
	Jun	54	(\$48.29)	(\$119.00)	\$17,801.68	(\$167.29)
	Jul	55	(\$48.61)	(\$118.68)	\$17,753.07	(\$167.29)
	Aug	56	(\$48.93)	(\$118.35)	\$17,704.14	(\$167.29)
	Sep	57	(\$49.26)	(\$118.03)	\$17,654.88	(\$167.29)
	Oct	58	(\$49.59)	(\$117.70)	\$17,605.29	(\$167.29)
	Nov	59	(\$49.92)	(\$117.37)	\$17,555.37	(\$167.29)
	Dec	60	(\$50.25)	(\$117.04)	\$17,505.12	(\$167.29)

CERO Co-op - Exhibit I: Amortization Schedule - CFNE Loan

Comment			Value	Variable		
Loan Amount			\$100,000.00	pv		
Annual Interest Rate			6.0%			
Payments per year			12			
Rate per period			0.50%	rate		
Number of years			20			
						fixed
Total Number of payments			240	nper		monthly
Payment			(\$716.43)	payment		payment
		Period	Principal	Interest	Balance	
		0			\$100,000.00	
2014	Jan	1	(\$216.43)	(\$500.00)	\$99,783.57	(\$716.43)
	Feb	2	(\$217.51)	(\$498.92)	\$99,566.06	(\$716.43)
	Mar	3	(\$218.60)	(\$497.83)	\$99,347.45	(\$716.43)
	Apr	4	(\$219.69)	(\$496.74)	\$99,127.76	(\$716.43)
	May	5	(\$220.79)	(\$495.64)	\$98,906.97	(\$716.43)
	Jun	6	(\$221.90)	(\$494.53)	\$98,685.07	(\$716.43)
	Jul	7	(\$223.01)	(\$493.43)	\$98,462.07	(\$716.43)
	Aug	8	(\$224.12)	(\$492.31)	\$98,237.95	(\$716.43)
	Sep	9	(\$225.24)	(\$491.19)	\$98,012.70	(\$716.43)
	Oct	10	(\$226.37)	(\$490.06)	\$97,786.34	(\$716.43)
	Nov	11	(\$227.50)	(\$488.93)	\$97,558.84	(\$716.43)
	Dec	12	(\$228.64)	(\$487.79)	\$97,330.20	(\$716.43)
2015	Jan	13	(\$229.78)	(\$486.65)	\$97,100.42	(\$716.43)
	Feb	14	(\$230.93)	(\$485.50)	\$96,869.49	(\$716.43)
	Mar	15	(\$232.08)	(\$484.35)	\$96,637.41	(\$716.43)
	Apr	16	(\$233.24)	(\$483.19)	\$96,404.16	(\$716.43)
	May	17	(\$234.41)	(\$482.02)	\$96,169.75	(\$716.43)
	Jun	18	(\$235.58)	(\$480.85)	\$95,934.17	(\$716.43)
	Jul	19	(\$236.76)	(\$479.67)	\$95,697.41	(\$716.43)
	Aug	20	(\$237.94)	(\$478.49)	\$95,459.47	(\$716.43)
	Sep	21	(\$239.13)	(\$477.30)	\$95,220.33	(\$716.43)
	Oct	22	(\$240.33)	(\$476.10)	\$94,980.00	(\$716.43)
	Nov	23	(\$241.53)	(\$474.90)	\$94,738.47	(\$716.43)
	Dec	24	(\$242.74)	(\$473.69)	\$94,495.74	(\$716.43)
2016	Jan	25	(\$243.95)	(\$472.48)	\$94,251.78	(\$716.43)
	Feb	26	(\$245.17)	(\$471.26)	\$94,006.61	(\$716.43)
	Mar	27	(\$246.40)	(\$470.03)	\$93,760.21	(\$716.43)
	Apr	28	(\$247.63)	(\$468.80)	\$93,512.58	(\$716.43)
	May	29	(\$248.87)	(\$467.56)	\$93,263.71	(\$716.43)
	Jun	30	(\$250.11)	(\$466.32)	\$93,013.60	(\$716.43)
	Jul	31	(\$251.36)	(\$465.07)	\$92,762.24	(\$716.43)
	Aug	32	(\$252.62)	(\$463.81)	\$92,509.62	(\$716.43)
	Sep	33	(\$253.88)	(\$462.55)	\$92,255.74	(\$716.43)
	Oct	34	(\$255.15)	(\$461.28)	\$92,000.58	(\$716.43)
	Nov	35	(\$256.43)	(\$460.00)	\$91,744.16	(\$716.43)
	Dec	36	(\$257.71)	(\$458.72)	\$91,486.45	(\$716.43)
2017	Jan	37	(\$259.00)	(\$457.43)	\$91,227.45	(\$716.43)
	Feb	38	(\$260.29)	(\$456.14)	\$90,967.15	(\$716.43)
	Mar	39	(\$261.60)	(\$454.84)	\$90,705.56	(\$716.43)
	Apr	40	(\$262.90)	(\$453.53)	\$90,442.65	(\$716.43)
	May	41	(\$264.22)	(\$452.21)	\$90,178.44	(\$716.43)
	Jun	42	(\$265.54)	(\$450.89)	\$89,912.90	(\$716.43)
	Jul	43	(\$266.87)	(\$449.56)	\$89,646.03	(\$716.43)

CERO Co-op - Exhibit I: Amortization Schedule - CFNE Loan

	Aug	44	(\$268.20)	(\$448.23)	\$89,377.83	(\$716.43)
	Sep	45	(\$269.54)	(\$446.89)	\$89,108.29	(\$716.43)
	Oct	46	(\$270.89)	(\$445.54)	\$88,837.40	(\$716.43)
	Nov	47	(\$272.24)	(\$444.19)	\$88,565.15	(\$716.43)
	Dec	48	(\$273.61)	(\$442.83)	\$88,291.55	(\$716.43)
2018	Jan	49	(\$274.97)	(\$441.46)	\$88,016.58	(\$716.43)
	Feb	50	(\$276.35)	(\$440.08)	\$87,740.23	(\$716.43)
	Mar	51	(\$277.73)	(\$438.70)	\$87,462.50	(\$716.43)
	Apr	52	(\$279.12)	(\$437.31)	\$87,183.38	(\$716.43)
	May	53	(\$280.51)	(\$435.92)	\$86,902.86	(\$716.43)
	Jun	54	(\$281.92)	(\$434.51)	\$86,620.95	(\$716.43)
	Jul	55	(\$283.33)	(\$433.10)	\$86,337.62	(\$716.43)
	Aug	56	(\$284.74)	(\$431.69)	\$86,052.88	(\$716.43)
	Sep	57	(\$286.17)	(\$430.26)	\$85,766.71	(\$716.43)
	Oct	58	(\$287.60)	(\$428.83)	\$85,479.11	(\$716.43)
	Nov	59	(\$289.04)	(\$427.40)	\$85,190.08	(\$716.43)
	Dec	60	(\$290.48)	(\$425.95)	\$84,899.60	(\$716.43)

CERO Co-op - Exhibit I: Amortization Schedule - Recycling Loan

Comment			Value	Variable		
Loan Amount			\$115,000.00	pv		
Annual Interest Rate			4.0%			
Payments per year			12			
Rate per period			0.33%	rate		
Number of years			7			
Total Number of payments			84	nper		fixed monthly payment
Payment			(\$1,571.91)	payment		
		Period	Principal	Interest	Balance	
		0			\$115,000.00	
2014	Jan	1	(\$1,188.58)	(\$383.33)	\$113,811.42	(\$1,571.91)
	Feb	2	(\$1,192.54)	(\$379.37)	\$112,618.88	(\$1,571.91)
	Mar	3	(\$1,196.52)	(\$375.40)	\$111,422.36	(\$1,571.91)
	Apr	4	(\$1,200.50)	(\$371.41)	\$110,221.86	(\$1,571.91)
	May	5	(\$1,204.51)	(\$367.41)	\$109,017.35	(\$1,571.91)
	Jun	6	(\$1,208.52)	(\$363.39)	\$107,808.83	(\$1,571.91)
	Jul	7	(\$1,212.55)	(\$359.36)	\$106,596.28	(\$1,571.91)
	Aug	8	(\$1,216.59)	(\$355.32)	\$105,379.69	(\$1,571.91)
	Sep	9	(\$1,220.65)	(\$351.27)	\$104,159.04	(\$1,571.91)
	Oct	10	(\$1,224.72)	(\$347.20)	\$102,934.33	(\$1,571.91)
	Nov	11	(\$1,228.80)	(\$343.11)	\$101,705.53	(\$1,571.91)
	Dec	12	(\$1,232.89)	(\$339.02)	\$100,472.63	(\$1,571.91)
2015	Jan	13	(\$1,237.00)	(\$334.91)	\$99,235.63	(\$1,571.91)
	Feb	14	(\$1,241.13)	(\$330.79)	\$97,994.50	(\$1,571.91)
	Mar	15	(\$1,245.26)	(\$326.65)	\$96,749.24	(\$1,571.91)
	Apr	16	(\$1,249.42)	(\$322.50)	\$95,499.82	(\$1,571.91)
	May	17	(\$1,253.58)	(\$318.33)	\$94,246.24	(\$1,571.91)
	Jun	18	(\$1,257.76)	(\$314.15)	\$92,988.48	(\$1,571.91)
	Jul	19	(\$1,261.95)	(\$309.96)	\$91,726.53	(\$1,571.91)
	Aug	20	(\$1,266.16)	(\$305.76)	\$90,460.37	(\$1,571.91)
	Sep	21	(\$1,270.38)	(\$301.53)	\$89,190.00	(\$1,571.91)
	Oct	22	(\$1,274.61)	(\$297.30)	\$87,915.38	(\$1,571.91)
	Nov	23	(\$1,278.86)	(\$293.05)	\$86,636.52	(\$1,571.91)
	Dec	24	(\$1,283.12)	(\$288.79)	\$85,353.40	(\$1,571.91)
2016	Jan	25	(\$1,287.40)	(\$284.51)	\$84,066.00	(\$1,571.91)
	Feb	26	(\$1,291.69)	(\$280.22)	\$82,774.30	(\$1,571.91)
	Mar	27	(\$1,296.00)	(\$275.91)	\$81,478.31	(\$1,571.91)
	Apr	28	(\$1,300.32)	(\$271.59)	\$80,177.99	(\$1,571.91)
	May	29	(\$1,304.65)	(\$267.26)	\$78,873.33	(\$1,571.91)
	Jun	30	(\$1,309.00)	(\$262.91)	\$77,564.33	(\$1,571.91)
	Jul	31	(\$1,313.36)	(\$258.55)	\$76,250.97	(\$1,571.91)
	Aug	32	(\$1,317.74)	(\$254.17)	\$74,933.22	(\$1,571.91)
	Sep	33	(\$1,322.14)	(\$249.78)	\$73,611.09	(\$1,571.91)
	Oct	34	(\$1,326.54)	(\$245.37)	\$72,284.55	(\$1,571.91)
	Nov	35	(\$1,330.96)	(\$240.95)	\$70,953.58	(\$1,571.91)
	Dec	36	(\$1,335.40)	(\$236.51)	\$69,618.18	(\$1,571.91)
2017	Jan	37	(\$1,339.85)	(\$232.06)	\$68,278.33	(\$1,571.91)
	Feb	38	(\$1,344.32)	(\$227.59)	\$66,934.01	(\$1,571.91)
	Mar	39	(\$1,348.80)	(\$223.11)	\$65,585.21	(\$1,571.91)
	Apr	40	(\$1,353.30)	(\$218.62)	\$64,231.92	(\$1,571.91)
	May	41	(\$1,357.81)	(\$214.11)	\$62,874.11	(\$1,571.91)
	Jun	42	(\$1,362.33)	(\$209.58)	\$61,511.78	(\$1,571.91)
	Jul	43	(\$1,366.87)	(\$205.04)	\$60,144.90	(\$1,571.91)

CERO Co-op - Exhibit I: Amortization Schedule - Recycling Loan

	Aug	44	(\$1,371.43)	(\$200.48)	\$58,773.47	(\$1,571.91)
	Sep	45	(\$1,376.00)	(\$195.91)	\$57,397.47	(\$1,571.91)
	Oct	46	(\$1,380.59)	(\$191.32)	\$56,016.89	(\$1,571.91)
	Nov	47	(\$1,385.19)	(\$186.72)	\$54,631.70	(\$1,571.91)
	Dec	48	(\$1,389.81)	(\$182.11)	\$53,241.89	(\$1,571.91)
2018	Jan	49	(\$1,394.44)	(\$177.47)	\$51,847.45	(\$1,571.91)
	Feb	50	(\$1,399.09)	(\$172.82)	\$50,448.36	(\$1,571.91)
	Mar	51	(\$1,403.75)	(\$168.16)	\$49,044.61	(\$1,571.91)
	Apr	52	(\$1,408.43)	(\$163.48)	\$47,636.18	(\$1,571.91)
	May	53	(\$1,413.13)	(\$158.79)	\$46,223.05	(\$1,571.91)
	Jun	54	(\$1,417.84)	(\$154.08)	\$44,805.22	(\$1,571.91)
	Jul	55	(\$1,422.56)	(\$149.35)	\$43,382.66	(\$1,571.91)
	Aug	56	(\$1,427.30)	(\$144.61)	\$41,955.35	(\$1,571.91)
	Sep	57	(\$1,432.06)	(\$139.85)	\$40,523.29	(\$1,571.91)
	Oct	58	(\$1,436.84)	(\$135.08)	\$39,086.46	(\$1,571.91)
	Nov	59	(\$1,441.62)	(\$130.29)	\$37,644.83	(\$1,571.91)
	Dec	60	(\$1,446.43)	(\$125.48)	\$36,198.40	(\$1,571.91)

CERO Co-op - Exhibit I: Amortization Schedule - Truck Finance

Comment			Value	Variable		
Loan Amount			\$63,654.00	pv		
Annual Interest Rate			5.0%			
Payments per year			12			
Rate per period			0.42%	rate		
Number of years			5			
						fixed
Total Number of payments			60	nper		monthly
Payment			(\$1,201.23)	payment		payment
		Period	Principal	Interest	Balance	
		0			\$63,654.00	
2016	Jan	1	(\$936.00)	(\$265.23)	\$62,718.00	(\$1,201.23)
	Feb	2	(\$939.90)	(\$261.32)	\$61,778.09	(\$1,201.23)
	Mar	3	(\$943.82)	(\$257.41)	\$60,834.27	(\$1,201.23)
	Apr	4	(\$947.75)	(\$253.48)	\$59,886.52	(\$1,201.23)
	May	5	(\$951.70)	(\$249.53)	\$58,934.81	(\$1,201.23)
	Jun	6	(\$955.67)	(\$245.56)	\$57,979.15	(\$1,201.23)
	Jul	7	(\$959.65)	(\$241.58)	\$57,019.50	(\$1,201.23)
	Aug	8	(\$963.65)	(\$237.58)	\$56,055.85	(\$1,201.23)
	Sep	9	(\$967.66)	(\$233.57)	\$55,088.19	(\$1,201.23)
	Oct	10	(\$971.70)	(\$229.53)	\$54,116.49	(\$1,201.23)
	Nov	11	(\$975.74)	(\$225.49)	\$53,140.75	(\$1,201.23)
	Dec	12	(\$979.81)	(\$221.42)	\$52,160.94	(\$1,201.23)
2017	Jan	13	(\$983.89)	(\$217.34)	\$51,177.04	(\$1,201.23)
	Feb	14	(\$987.99)	(\$213.24)	\$50,189.05	(\$1,201.23)
	Mar	15	(\$992.11)	(\$209.12)	\$49,196.94	(\$1,201.23)
	Apr	16	(\$996.24)	(\$204.99)	\$48,200.70	(\$1,201.23)
	May	17	(\$1,000.39)	(\$200.84)	\$47,200.31	(\$1,201.23)
	Jun	18	(\$1,004.56)	(\$196.67)	\$46,195.75	(\$1,201.23)
	Jul	19	(\$1,008.75)	(\$192.48)	\$45,187.00	(\$1,201.23)
	Aug	20	(\$1,012.95)	(\$188.28)	\$44,174.05	(\$1,201.23)
	Sep	21	(\$1,017.17)	(\$184.06)	\$43,156.88	(\$1,201.23)
	Oct	22	(\$1,021.41)	(\$179.82)	\$42,135.47	(\$1,201.23)
	Nov	23	(\$1,025.67)	(\$175.56)	\$41,109.80	(\$1,201.23)
	Dec	24	(\$1,029.94)	(\$171.29)	\$40,079.86	(\$1,201.23)
2018	Jan	25	(\$1,034.23)	(\$167.00)	\$39,045.63	(\$1,201.23)
	Feb	26	(\$1,038.54)	(\$162.69)	\$38,007.10	(\$1,201.23)
	Mar	27	(\$1,042.87)	(\$158.36)	\$36,964.23	(\$1,201.23)
	Apr	28	(\$1,047.21)	(\$154.02)	\$35,917.02	(\$1,201.23)
	May	29	(\$1,051.58)	(\$149.65)	\$34,865.44	(\$1,201.23)
	Jun	30	(\$1,055.96)	(\$145.27)	\$33,809.48	(\$1,201.23)
	Jul	31	(\$1,060.36)	(\$140.87)	\$32,749.13	(\$1,201.23)
	Aug	32	(\$1,064.77)	(\$136.45)	\$31,684.35	(\$1,201.23)
	Sep	33	(\$1,069.21)	(\$132.02)	\$30,615.14	(\$1,201.23)
	Oct	34	(\$1,073.67)	(\$127.56)	\$29,541.48	(\$1,201.23)
	Nov	35	(\$1,078.14)	(\$123.09)	\$28,463.34	(\$1,201.23)
	Dec	36	(\$1,082.63)	(\$118.60)	\$27,380.70	(\$1,201.23)