



Dear former Member or new Member-Owner,

Thank you for downloading your new Membership Stock forms online. If you plan on bringing your Membership Application and Membership Subscription & Agreement to the Co-op and plan on paying in one installment, please wait until you get to the Co-op to write your check. You may have credits to apply to your new Membership Stock which would decrease your \$200.00 payment.

If you plan on filling out the forms and sending them to us by mail, please call the Co-op at 906-482-2030 to see if you have credits to apply to your one installment of \$200.00. If you have chosen a payment plan, you can send that amount in and we will deduct any credits from your balance.

If you want to retain your former member number, enter it in on the Membership Application at the top of the form. If you want a new number, leave the member number box blank, and we will assign you the next available number.

Credits may include: your initial Equity Share and a prorated portion of any Annual Dues paid within the past 9 months, and/or your Fair Share deposit.

If you choose to mail in your forms, we will hold your new Member-Owner file with your copies here at the Co-op, just ask at the front check out counter.

Thank you for investing in your Co-op!



Member-Owner Application

Welcome to the Keweenaw Co-op! As a Member-Owner, you have a vested interest in the Keweenaw Co-op. Please review the contents of this packet before filling out this application. Detailed information is provided about your Member-Owner rights and responsibilities and investment options. Your signature is required on the Membership & Subscription Agreement.

Date: _____ Clerk: _____

MEMBER-OWNER INFORMATION				Member #																																												
Name of Member-Owner: ▶				Street Address: ▶																																												
Additional adult in household: ▶				City, State & Zip: ▶																																												
Phone: ▶				Is this a seasonal address? <input type="checkbox"/> yes <input type="checkbox"/> no																																												
Membership Stock Payment Plan: (See Membership & Subscription Agreement - Exhibit A) <input type="checkbox"/> Plan 1 (Single payment)..... \$200 <input type="checkbox"/> Plan 2 (One year) \$50 (x 4) <input type="checkbox"/> Plan 3 (Two years)..... \$25 (x 8) <input type="checkbox"/> Plan 4 (Ten years)..... \$20 (x 10)				E-mail: (To receive Co-op news and events information and/or to access online voting*) ▶																																												
Payment Record: <table border="1"> <thead> <tr> <th>Date</th> <th>Amount Paid</th> <th>Clerk</th> <th>JB</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>				Date	Amount Paid	Clerk	JB																																									* Member-Owner information is not shared with or sold to other organizations.
Date	Amount Paid	Clerk	JB																																													
Receive Co-op news and events info by email? <input type="checkbox"/> yes <input type="checkbox"/> no				Prefer to receive the Co-op newsletter: <input type="checkbox"/> by mail <input type="checkbox"/> at store <input type="checkbox"/> notified by email																																												
Address change: Date: _____ ▶				City, State & Zip: ▶																																												
Note: It is a Member-Owner's responsibility to communicate with the Co-op concerning changes to your contact information. This can be done at the store, by email, by phone, or by written notification. Member-Owner capital, including capital stock, patronage refund, and capital credits, will be forfeited if a Member-Owner cannot be located as described in the Co-op's Articles of Incorporation.																																																



**KEWEENAW COOPERATIVE, INC.
MEMBERSHIP AND SUBSCRIPTION AGREEMENT**

By this Membership and Subscription Agreement (the **Membership Agreement**),

_____ (**Member Applicant**):

(print Member Applicant name here)

- Applies for Voting Membership in Keweenaw Cooperative, Inc. (**the Co-op**), a natural foods cooperative organized under the Ohio Cooperative Law (Chapter 1729 of the Ohio Revised Code);
- Subscribes for the purchase of Membership Stock;
- Commits to being an active Patron of the Co-op.

1. PURPOSE OF MEMBERSHIP AGREEMENT

1.1 **Voting Membership.** Member Applicant seeks Voting Membership in the Co-op in order to:

- A. **Ownership.** Gain ownership and control, with other Co-op Members, of the Co-op and, in doing so, gain a more secure and rewarding patronage relationship with the Co-op;
- B. **Patronage Refunds.** Become a Patron of the Co-op entitled to a share of the Co-op's annual Net Margins; and
- C. **Governance.** Participate in the corporate governance of the Co-op on the basis of Membership in order to assure the Co-op's accountability to its Member-Patrons.

1.2 **Investment Motive.** Accordingly, Member Applicant views this Membership Agreement, the subscription for a share of Common stock in the Co-op as a part of Member Applicant's plan to acquire healthy and nutritious foods and other products offered by the Co-op, rather than as an investment with the expectation of capital appreciation or monetary returns on the Common stock as such.

2. APPLICATION FOR VOTING MEMBERSHIP

- 2.1 **Application.** Member Applicant applies for Voting Membership in the Co-op, subject to all the rights, obligations and conditions of Membership provided in the Co-op's Articles of Incorporation and Bylaws (**Articles and Bylaws**) and as prescribed by the Members and Board of Directors under the Articles and Bylaws.
- 2.2 **Acceptance.** Member Applicant understands that this Membership Agreement is subject to acceptance by the Co-op Board of Directors. If accepted into Membership, Member Applicant will purchase the share of Common stock subscribed for in this Membership Agreement and pay the purchase price for the Membership Stock as and when payment is due.

3. SUBSCRIPTION FOR MEMBERSHIP STOCK

- 3.1 **General Subscription to Acquire Membership Stock.** Member Applicant, as a condition of Voting Membership in the Co-op, subscribes for the purchase of one (1) share of Common stock. This share of Common stock is Member Applicant's **Membership Stock**.
- 3.2 **Purchase of Membership Stock.** Upon acceptance as a Voting Member, Member Applicant will **purchase one (1) share of Co-op Common stock for the purchase price of \$200.00**. The purchase price is payable according to the payment plan attached to this Agreement as **Exhibit A**.
- 3.3 **Disclaimer of Investment Motive.** Member Applicant makes this subscription for Membership Stock with no expectation of appreciation in value of or return on Member Applicant's Membership Stock as such, but rather as an investment in:
 - A. **Use and Enjoyment.** Member Applicant's use and enjoyment of the Co-op;
 - B. **Ownership.** An ownership interest and voice in the governance in the Co-op; and
 - C. **Patronage Refunds.** An opportunity to share in the profits derived from Member Applicant's purchases on a cooperative basis.

4. RIGHTS AND RESTRICTIONS OF MEMBERSHIP

Member Applicant acknowledges that the Membership and Membership Stock subscribed for in this Membership Agreement are subject to rights, obligations and restrictions specified or referred to in the Co-op Articles and Bylaws – in particular that the Membership Stock bears no dividend, is not transferable without written consent of the Board, and there is no secondary market for the Membership Stock other than redemption by the Co-op at par value. Member Applicant will vote in the affairs of the Co-op only as a Voting Member and not as an investor or shareholder.

5. MEMBER APPLICANT REPRESENTS

Member Applicant represents and understands that:

- 5.1 **Access to Information.** Member Applicant has observed and participated in the Co-op and has had the opportunity to ask questions and receive answers from the Co-op's Board of Directors and Management concerning:
 - A. Terms and conditions of the Membership Stock;
 - B. Terms and conditions of Membership;
 - C. Business operations, finances and obligations of the Co-op; and
 - D. Purchase of Membership Stock.
- 5.2 **Articles and Bylaws.** Member Applicant has received a copy of the Co-op's Articles and Bylaws.
- 5.3 **No Registration of Membership Stock.** No federal or state agency has made any finding, determination, recommendation or endorsement as to the fairness or the suitability of Membership or acquisition of Membership Stock in the Co-op. Common stock of the Co-op is not registered under Michigan securities laws or the Securities Act of 1933, as amended (the **Act**). If the Membership Stock is a "security" under either Michigan securities laws or the Act, it cannot be re-sold unless registered under those laws or an exemption is available. The Co-op's Board and Management offer Co-op Membership Stock to Member Applicant relying on advice of counsel that the Membership Stock is exempt from registration under applicable securities registration law. **Member Applicant may not sell or otherwise transfer Co-op Common stock without registration under the Act or exemption therefrom and written consent of the Co-op Board of Directors.**
- 5.4 **Co-op as a Food Cooperative.** The Co-op is a food cooperative that procures healthful and nutritious foods and other products for its Members and others. The Co-op distributes Net Margins to its Members as Patrons on a patronage basis rather than on the basis of any capital contribution to the Co-op. Member Applicant expects no return on, or appreciation in value of, Membership Stock as such. Instead, Member Applicant will be entitled to Patronage Refunds from the Co-op's Net Margins (profits) in proportion to the volume and value of Member Applicant's purchases from the Co-op.
- 5.5 **Member Applicant's Investment Motive.** Member Applicant is purchasing Membership Stock in the Co-op for Member Applicant's own account in order to secure the benefits of Voting Membership and Patronage Refunds, and not for resale or distribution of the Membership Stock. Member Applicant will bear the economic risk of this financial commitment indefinitely.
- 5.6 **Termination of Membership.** Membership may be terminated if Member Applicant fails to satisfy the terms and conditions of Membership, one of which is active

patronage of the Co-op. Termination of Membership does not entitle Member Applicant to redemption of the Membership Stock.

5.7 **No Promise.** No promise, guarantee, or other representation has been made with respect to this Membership Agreement except as expressly stated herein and in the Articles and Bylaws. Member Applicant is not entering into this Membership Agreement, nor is Member Applicant purchasing Membership Stock in reliance on any promise, guarantee or representation not stated in this Membership Agreement or the Articles and Bylaws.

Print Name of Member Applicant

Date: _____

Signature of Member Applicant

EXHIBIT A

KEWEENAW CO-OP MEMBERSHIP STOCK (CO-OP COMMON STOCK) PAYMENT PLAN OPTIONS

Upon acceptance as a Voting Member, Member Applicant will **purchase one (1) share of Co-op Common stock for the purchase price of \$200.00**. The purchase price is payable according to the payment plan options below. Please select your preferred payment plan:

- Payment Plan 1**
Pay the \$200.00 Membership Stock (Co-op Common stock) in one payment.

- Payment Plan 2**
Pay the \$200.00 Membership Stock (Co-op Common stock) in installments of \$50.00 per quarter year (i.e. spread the payments over a year's time).

- Payment Plan 3**
Pay the \$200.00 Membership Stock (Co-op Common stock) in installments of \$25.00 per quarter year (i.e. spread the payments over two year's time).

- Payment Plan 4**
Pay the \$200.00 Membership Stock (Co-op Common stock) in installments of \$20.00 per year (i.e. spread the payments over ten year's time).

Choosing Your Payment Plan

Keweenaw Co-op Membership Stock (Common stock)

After January 1st, 2010, the Co-op is officially incorporated as a true cooperative. We are moving forward, empowering ourselves to become true co-op Member-Owners by collectively pooling our resources. These resources will create the equity that insures our Co-op remains strong and vital well into the future. This equity is our promise to each other and a commitment to our community that we value what the Keweenaw Co-op stands for and

what it provides for our quality of life.

All Members, after January 1st, are required to purchase one share of Keweenaw Co-op Common stock (the one-time membership investment that replaces the annual membership fee). When selecting which payment plan is most appropriate for your family, please select the plan that minimizes the costs to your Co-op, while still being financially feasible for your family.

Payment Plan Options...

Payment Plan 1

Pay the \$200.00 Common stock share (equity) in one installment. Receive a thank you gift (fabric grocery tote printed with the Co-op logo).

Plan 1 minimizes account maintenance costs and maximizes equity per Member-Owner. This plan is the most financially responsible plan for the Co-op in terms of benefiting all Member-Owners. This plan conserves the time and salary of Co-op staff by not requiring account management and notifications of payment dues, and, because the entire stock share is paid for immediately, Co-op equity is maximized.

Payment Plan 2

Pay the \$200.00 Common stock share (equity) in installments of \$50.00 per quarter year (i.e. Make payments over a year's time).

Payment Plan 3

Pay the \$200.00 Common stock share (equity) in installments of \$25.00 per quarter year (i.e. Make payments over two year's time).

Payment Plan 4

Pay the \$200.00 Common stock share (equity) in installments of \$20.00 per year (i.e. This option allows all to join the Co-op).



Plans 2, 3 & 4 become increasingly expensive for the Co-op to maintain in terms of Staff time and salary due to the cost of account management and notifications of payment dues. These payment plans also decrease the equity per Member-Owner, which means there is less money available to improve the Co-op.