



## Keweenaw Cooperative, Inc.

### Membership Agreement for Natural Persons: Owner # \_\_\_\_\_

By this Membership Agreement (the “**Membership Agreement**”),

\_\_\_\_\_ (the “**Member Applicant**”)  
(print Member Applicant name here)

applies for membership in Keweenaw Cooperative, Inc. (the “**Co-op**”), a natural foods cooperative organized under the Michigan Consumer Cooperative Act, as amended, being MCL 450.3100 et. seq., AND hereby commits to the requirements of this Membership Agreement.

#### 1. **Purposes of This Membership Agreement:**

**1.1. Voting Membership.** Member Applicant seeks membership in the Co-op in order to obtain benefits of membership, including without limitation:

**1.1.1. Ownership.** To 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;

**1.1.2. Patronage Refunds.** To become a Patron of the Co-op entitled to a share of the Co-op's annual Net Savings from patronage transactions, as provided in the Co-op's Bylaws; and

**1.1.3. Governance.** To 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 members.

**1.2. Investment Motive.** The Member Applicant understands and agrees that Co-op membership and the required Initial Owner Investment in the Co-op are part of the Member Applicant's support of, and access to, a resilient and ethical food system, a cooperative and local economy, and a healthy community, and are not an investment with the expectation of capital appreciation or monetary returns on the Initial Owner Investment.

#### 2. **Application for Membership**

**2.1. Application.** Member Applicant applies for 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 (the “**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.
- 2.3. **Communications (Exhibit A).** Member Applicant agrees to provide the necessary contact information and permissions required in Exhibit A - Official Member Contact Information and is responsible for providing the Co-op with any/all future changes to said information.
- 2.4. **Initial Owner Investment (Exhibit B).** If accepted into membership, Member Applicant agrees to pay the Initial Owner Investment, as and when such payment is due and according to the agreed upon terms as indicated in Exhibit B - Terms of Payment for Initial Owner Investment.
- 2.5. **Designation of Jointly Held Membership (Exhibit C).** Member Applicant may jointly hold membership with one other natural person, a “**Joint Holder,**” as designated and agreed to in Exhibit C - Designation of Jointly Held Membership. Both Joint Holders are equally subject to all terms and conditions of this agreement, including acceptance to membership by the Board of Directors. Jointly held memberships are entitled to only one member vote, as cast by the Member Applicant, and all official Member communications will be directed to the Member Applicant contact information. Jointly held membership includes joint ownership of the Initial Owner Investment and all associated Member capital.
- 2.6. **Designation of Beneficiaries (Exhibit D).** Member Applicant may designate beneficiaries for transfer of membership and associated Member capital upon death of the Member. Exhibit D - Beneficiary Designation forms are available upon request. Transfer of membership to a beneficiary is subject to Co-op acceptance of a new Membership Agreement executed by Beneficiary. Ownership of Member capital can be transferred to a non-Member beneficiary, subject to Board approval and all terms and conditions governing Member capital accounts.

### 3. **Rights and Restrictions of Membership**

- 3.1. **Voting Membership.** Member Applicant acknowledges that the membership applied for in this Membership Agreement is subject to rights, obligations, and restrictions specified or referred to in the Co-op Articles, Bylaws, Uniform Conditions of Membership, and other Co-op policies, rules, and regulations, as adopted or amended from time to time. The applicant’s Initial Owner Investment and other Member capital bear no dividend and are not transferable without written consent of the Board. Member Applicant will vote in the affairs of the Co-op only as a Member and not as an investor.

### 4. **Member Applicant Representations and Understandings**

Member Applicant represents and understands the following:

- 4.1. **Membership Benefits.** Membership is for the benefit of the holders of the membership and their households and dependent family members. Specific membership benefits are established by Co-op management and may change from time to time. Use of the owner number to directly access some or all benefits may be limited to the holders of the membership, at the sole discretion of management. For the purpose of sharing in the benefits of membership, households and dependent family members are defined as follows:
  - 4.1.1. Household - people who live together in the same shared residence and share a communal food relationship with one another (i.e. persons who mostly shop, cook, and eat together as a household unit).
  - 4.1.2. Dependent Family Members - persons who are legal relatives of the holders of the membership and are maintaining a mutually dependent food relationship (e.g.

spouses, their dependent children, and any other dependent family members who share a common food budget even if they don't currently share the same residence).

- 4.2. Access to Information.** Member Applicant has had the opportunity to ask questions and receive answers from the Co-op's Board of Directors and Management concerning:
  - 4.2.1.** Terms and conditions of the Initial Owner Investment;
  - 4.2.2.** Terms and conditions of membership; and
  - 4.2.3.** Business operations, finances, and obligations of the Co-op.
- 4.3. Articles and Bylaws.** Member Applicant has had the opportunity to review a copy of the Co-op's Articles of Incorporation and Bylaws, which are available on the Co-op's website at: [www.keweenaw.coop](http://www.keweenaw.coop).
- 4.4. No Registration of Initial Owner Investment.** No federal or state agency has made any finding, determination, recommendation or endorsement as to the fairness or the suitability of Membership or the Initial Owner Investment. Neither membership nor the Initial Owner Investment are registered under Michigan securities laws or the Securities Act of 1933, as amended (the "**Act**"). If membership or the Initial Owner Investment 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. Member Applicant may not sell or otherwise transfer the Initial Owner Investment without registration under the Act or exemption therefrom and written consent of the Co-op Board of Directors.
- 4.5. 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 Savings from patronage transactions to its Members and other Patrons on a patronage basis rather than on the basis of any capital contribution to or investment in the Co-op. Member Applicant expects no return on, or appreciation in value of, their Initial Owner Investment as such. Instead, Member Applicant will be entitled to Patronage Refunds as provided in the Co-op's Bylaws.
- 4.6. Member Applicant's Investment Motive.** Member Applicant is providing an Initial Owner Investment in the Co-op for Member Applicant's own account in order to secure the benefits of Co-op membership, and not for resale or distribution. Member Applicant will bear the economic risk of this financial commitment indefinitely.
- 4.7. Termination of Membership.** Membership may be terminated as provided in the Bylaws, including without limitation, if Member Applicant fails to satisfy the terms and conditions of Membership.
- 4.8. 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 providing an Initial Owner Investment in reliance on any promise, guarantee, or representation not stated in this Membership Agreement or the Articles and Bylaws.
- 4.9. Consent to Patronage Refund**
  - 4.9.1. Patronage Refund to a Consumer Patron.** Section 1385(b)(2) of the Code provides that Patronage Refunds and Per Unit Retains need not be included in the gross income of Member (for federal income tax purposes) to the extent they are attributable to purchases of personal, living, or family items.
  - 4.9.2. Other Patronage Refunds.** Except as provided in Section **4.9.1**, Member consents to include in the Member's gross income for federal income tax purposes the stated dollar amount of any qualified written notice of allocation and qualified notice of Per Unit Retain (as defined in §1388 of the Code) received from the Association with

respect to Patronage Transactions (as defined in Section I of the Co-op's Bylaws and subsequent Board policy), to the extent required in §1385 of the Code.

X \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of Member Applicant)

**Acceptance**

This Membership Agreement is accepted by the Co-op.

**KEWEENAW COOPERATIVE, INC.**

Date \_\_\_\_\_ By: \_\_\_\_\_

Its: \_\_\_\_\_

<b>Admin:</b>	<b>Date:</b>	<b>Owner #:</b>
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KEWEENAW COOPERATIVE, INC.  
**MEMBERSHIP AGREEMENT — EXHIBIT A**  
 (required)

**Official Member Contact Information**    Owner # \_\_\_\_\_

**1. Official Member Contact Information**

According to the Bylaws and Uniform Conditions of Membership, all official communications for individual or joint memberships, including voting and meeting notices, patronage dividends, and other official acts regarding membership, will be sent to the primary email and/or mailing address of record. Members are responsible for notifying the Co-op when there is a change in contact information.

Please provide your primary contact information below for Official Member Communications.

<b>Mailing Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b> (     )	<b>Email:</b>	

**2. Authorization of Electronic Communication**

By signing this form you consent to receiving all official communication from the Co-op electronically by email sent to the email address above, including voting and meeting notices, patronage dividend notices, and other official communications regarding membership. This authorization is effective unless and until consent is withdrawn in writing. You may unsubscribe from non-essential Co-op news and promotional emails at any time, but you will not be unsubscribed from *official* membership communications unless you revoke this authorization in writing.

**If you do not consent** to receive official membership communications electronically and require that they be sent by U.S. Mail, please initial here: \_\_\_\_\_. By selecting this option, you agree to be solely responsible for notifying the Co-op of changes to your mailing information and for returning required paperwork to the Co-op as needed.

\_\_\_\_\_  
 (Printed Name of Member Applicant)

X \_\_\_\_\_  
 (Signature of Member Applicant)

Date: \_\_\_\_\_

<b>Admin:</b>	<b>Revision?</b> <input type="checkbox"/>	<b>Date:</b>	<b>Owner #:</b>
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KEWEENAW COOPERATIVE, INC.  
**MEMBERSHIP AGREEMENT — EXHIBIT B**  
(required)

**Terms Of Payment For Initial Owner Investment**    Owner # \_\_\_\_\_

**1. Terms**

- As a condition of membership, Member Applicant agrees to pay an Initial Owner Investment of \$200.00. Payment will be fully refunded if Membership is not accepted.
- Memberships may be acquired on payment plans established by Co-op management in accordance with the financial conditions and administrative capacity of the Co-op.
- Members using payment plans shall be eligible for all membership rights and benefits but deemed provisional until paid in full.
- The Co-op will issue member certificates only for memberships with the Initial Owner Investment paid in full.

**2. Payment Plan Options.** *Check the box next to your preferred plan.*

**Payment Plan 1**

Pay the \$200.00 Initial Owner Investment in one payment.

**Payment Plan 2**

Pay the \$200.00 Initial Owner Investment 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 Initial Owner Investment 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 Initial Owner Investment in installments of \$20.00 per year (i.e. spread the payments over ten year's time).

By signing below, I agree to pay my Initial Owner Investment according to the terms I selected above.

\_\_\_\_\_  
(Printed Name of Member Applicant)

X \_\_\_\_\_  
(Signature of Member Applicant)

Date: \_\_\_\_\_

<b>Admin:</b>	<b>Revision?</b> <input type="checkbox"/>	<b>Date:</b>	<b>Owner #:</b>
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KEWEENAW COOPERATIVE, INC.  
**MEMBERSHIP AGREEMENT — EXHIBIT C**  
(OPTIONAL)

**Designation of Jointly Held Membership**    Owner # \_\_\_\_\_

**Specific Membership Conditions Applicable to Jointly Held Memberships:**

- a. Any individual Member who meets all conditions of membership may request to add a joint tenant. Board acceptance of the joint tenant shall also result in joint ownership of the associated capital account.
- b. Joint memberships are entitled to only one vote and all official communications, including voting and meeting notices, patronage dividends, and other official acts regarding membership, will be issued to both joint tenants by care of the primary email and/or physical address of record.
- c. Either joint tenant may voluntarily terminate membership and relinquish to the remaining tenant all claims to the associated capital account. Joint tenants may split their membership and associated capital account into individual memberships upon each tenant providing the additional amount of initial member investment needed to establish individual membership. The Board of Directors will not terminate membership or redeem equity for jointly held membership unless requested by both tenants.
- d. When either tenant of a jointly held membership dies, the remaining tenant continues to hold all membership rights and benefits and the associated capital account. After submitting the death certificate, the surviving holder may hold the membership individually or request to add a new joint tenant.

Subject to approval by the Board of Directors and all terms and conditions above and in the Membership Agreement, the undersigned Member Applicant and Prospective Joint Holder agree to hold Member Applicant's membership and all associated member capital as joint tenants with right of survivorship:

\_\_\_\_\_  
(Member Applicant - Printed Name)

\_\_\_\_\_  
(Prospective Joint Holder - Printed Name)

X \_\_\_\_\_  
(Signature of Member Applicant)

Date: \_\_\_\_\_

X \_\_\_\_\_  
(Signature of Prospective Joint Holder)

Date: \_\_\_\_\_

**Acceptance**

This Designation of Joint Holder of Membership Request is accepted by the Co-op.

**KEWEENAW COOPERATIVE, INC.**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

### Joint Holder Contact Information

The contact information below will not be used for Official Membership Communications unless it is the same as what the Member Applicant has provided for such purposes. Instead, we collect and maintain the below information in the name of the Joint Holder only for *personal* benefits, such as verifying access to membership privileges, individual shopper rewards programs, and other non-official member communications such as Co-op news and shopper guides.

<b>Mailing Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b> (       )	<b>Email:</b>	

<b>Admin:</b>	<b>Revision?</b> <input type="checkbox"/>	<b>Date:</b>	<b>Owner #:</b>
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KEWEENAW COOPERATIVE, INC.  
MEMBERSHIP AGREEMENT — EXHIBIT D  
(optional)

**Beneficiary Designation for Member Capital**    Owner # \_\_\_\_\_

- Because this form has important tax and/or legal consequences, the Co-op encourages you to consult with your financial or legal advisor before completing it. You should periodically review and, if necessary, update this form.
- The Co-op board must formally accept this registration for it to be effective.

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1. **Governing Law.** I/we acknowledge that this TOD registration is established under and subject to the Uniform Transfer-on-Death Security Registration provisions set forth in the Michigan Estates and Protected Individuals Code, MCL 700.6301 *et seq.*
  2. **Joint Owners.** If your Member Capital is held jointly as tenants with full rights of survivorship, this TOD registration **must be signed by all co-owners**, and will be effective to transfer your member capital to the designated beneficiaries upon the death of the last to die of all joint tenants.
  3. **Beneficiary Designation.**

**Trust beneficiary:** If you choose to name a trust as a beneficiary, please describe the trust by the name of the present trustee, the name of the trust (if any) and the date of the trust. Example: "John Doe, Trustee of the Doe Family Trust dated December 1, 2016."

**Minor beneficiary:** If a beneficiary is a minor, the Co-op may transfer the proceeds to a custodian it selects under the applicable state's Uniform Transfers to Minors Act.

I/we revoke all previous designations and direct that my/our member capital in the Co-op be distributed upon my/our death to the designated beneficiary(ies) below.

If any designated Primary Beneficiary(ies) dies before I/we do, that beneficiary's share will be divided proportionately among the surviving Primary Beneficiaries. If any beneficiary survives me/us but fails to survive transfer of his or her entire share, then the remaining portion of such beneficiary's share shall be transferred to such beneficiary's estate.

**Note:** All stated percentages must be whole percentages (e.g., 33%, not 33.3%) and must add up to 100%.

**Primary Beneficiary(ies):**

1) \_\_\_\_\_

First name (print)	Middle initial	Last	Percentage %
_____	_____	_____	_____
Relationship	Date of birth (mm/dd/yyyy)		
_____	_____		

2) \_\_\_\_\_  
 First name (print) Middle initial Last Percentage %

\_\_\_\_\_  
 Relationship Date of birth (mm/dd/yyyy)

3) \_\_\_\_\_  
 First name (print) Middle initial Last Percentage %

\_\_\_\_\_  
 Relationship Date of birth (mm/dd/yyyy)

TOTAL 100%

**Contingent beneficiary(ies):** *(Complete only if naming a Primary Beneficiary)*

If no Primary Beneficiary survives me, pay my benefits to the following Contingent Beneficiary(ies). If any designated Contingent beneficiary(ies) dies before I do, that beneficiary's share will be divided proportionately among the surviving Contingent Beneficiaries.

1) \_\_\_\_\_  
 First name (print) Middle initial Last Percentage %

\_\_\_\_\_  
 Relationship Date of birth (mm/dd/yyyy)

2) \_\_\_\_\_  
 First name (print) Middle initial Last Percentage %

\_\_\_\_\_  
 Relationship Date of birth (mm/dd/yyyy)

3) \_\_\_\_\_  
 First name (print) Middle initial Last Percentage %

\_\_\_\_\_  
 Relationship Date of birth (mm/dd/yyyy)

TOTAL 100%

**4. Your Signature.**

By signing below, I/we agree to indemnify and hold harmless the Co-op, and its respective officers, managers, members, employees and other agents from and against any and all losses and liabilities (including court costs and reasonable attorney's fees) resulting from the Co-op acting on this TOD Registration Request.

\_\_\_\_\_  
(Printed Name of Member)

X \_\_\_\_\_  
Member's signature

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date (mm/dd/yyyy)

\_\_\_\_\_  
(Printed Name of Joint Member)

X \_\_\_\_\_  
Joint Member's signature (if joint)

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date (mm/dd/yyyy)

**Acceptance**

This TOD Registration Request is accepted by the Co-op.

**KEWEENAW COOPERATIVE, INC.**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

<b>Admin:</b>	<b>Revision?</b> <input type="checkbox"/>	<b>Date:</b>	<b>Owner #:</b>
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