

## AGREEMENT AND PLAN OF MERGER

**THIS AGREEMENT AND PLAN OF MERGER**, dated as of July 21, 2021 (the “Agreement”) is made and entered into by and between The Menomonie Food Co-op, a Wisconsin cooperative (“MMFC”) and Just Local Food Cooperative, a Wisconsin cooperative (“JLF”) (collectively, the “Parties” and each separately a “Party”).

### STATEMENT OF INTENT

**WHEREAS**, each of MMFC and JLF is a Wisconsin cooperative corporation duly organized and in good standing under the laws of the State of Wisconsin that conducts business as a natural foods cooperative for the purposes of benefiting and serving its owners and patrons;

**WHEREAS**, the Parties believe that the merger of their respective business operations and assets will be in the best interest of their respective owners;

**WHEREAS**, the boards of directors of each of MMFC and JLF have, by resolutions duly adopted, determined that a Merger of the Parties with and into each other in accordance with the terms of this Agreement and the applicable provisions of Chapter 185 of the Wisconsin Statutes (“Wisconsin Cooperative Law”) is in the best interests of each Party and its respective owners; and

**WHEREAS**, in accordance with the terms of this Agreement, each of MMFC and JLF shall seek to obtain, in accordance with the Wisconsin Cooperative Law and its governing documents, the approval of its owners of its entry into, and performance of, this Agreement and the consummation of the Merger.

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants set forth herein, the Parties hereto agree as follows:

### ARTICLE I THE MERGER

**1.1. Merger Structure.** On the Closing Date as of the Effective Time (each as defined below), the Parties wish to effect a merger of JLF with and into MMFC, pursuant to which MMFC would be the surviving entity (the “Merger”) in accordance with the provisions of this Agreement, the plan of merger as Exhibit A (the “Plan of Merger”) and the Wisconsin Cooperative Law.

**1.2. Closing.** Subject to the terms and conditions of this Agreement, the closing of the Merger and the transactions contemplated by this Agreement (the “Closing”) shall take place on the last business day of the month in which the last of the conditions to Closing set forth in Article VIII have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), but not before July 21, 2021, or at such other time or on such other date as the

Parties may mutually agree upon in writing (the day on which the Closing takes place being the “Closing Date”).

**1.3. Actions at the Closing.** At the Closing, each Party shall deliver to the other Parties the documents required to be delivered pursuant to Article VIII and such other documents, instruments and materials (or complete and accurate copies thereof, where appropriate) as may be reasonably required in order to effectuate the intent and provisions of this Agreement, and all such documents, instruments and materials shall be satisfactory in form and substance to the receiving Party.

**1.4. Consummation of the Merger.** Subject to the terms and conditions set forth herein, including the approval of this Agreement and the Merger by the owners of each of the Parties, the Parties will cause the Merger to be consummated by filing, at the Closing, articles of merger including this Agreement (the “Articles of Merger”) with the Wisconsin Secretary of State, in a form satisfactory to the Parties, and in such form as required by, and executed in accordance with, the relevant provisions of the Wisconsin Cooperative Law. The Merger shall become effective upon filing of the Articles of Merger or such later time and date as may be stated in the Articles of Merger (the effective time of the Merger being hereinafter referred to as the “Effective Time”).

**1.5. Effect of Merger.** As of the Effective Time, The Menomonie Food Co-op shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a cooperative corporation organized under the Wisconsin Cooperative Law. As of the Effective Time, all locations of The Menomonie Food Co-op shall use the name and logo of The Menomonie Food Co-op, or its assumed name “Menomonie Market Food Co-op.” Except as otherwise expressly provided herein, The Menomonie Food Co-op shall thereupon and thereafter be responsible for all of the obligations of each of the Parties and possess (a) all the rights, privileges, immunities, powers and franchises, public and private, of the Parties; (b) all real or personal property, (c) all debts and other obligations owed to each of the Parties, including debts arising from a subscription for ownership, and (d) all other rights or interests belonging to any of the Parties shall be transferred to The Menomonie Food Co-op without further act or deed; and interests in real estate and personal property possessed by the Parties shall not revert or be in any way impaired by reason of the Merger. The liabilities of the officers, directors, owners or similar groups or persons, however denominated, of the Parties shall not be affected by the Merger, except as may be otherwise specified in the Plan of Merger or this Agreement. All of the foregoing shall occur with the effect set forth in Wisconsin Cooperative Law Section 185.62.

At any time, and from time to time after the Effective Time, the officers of The Menomonie Food Co-op may execute and deliver all such deeds, assignments and other instruments and take or cause to be taken all such further or other actions as they may deem necessary or desirable in order to vest, perfect or confirm interests in the foregoing to The Menomonie Food Co-op.

**1.6. Corporate Name.** The name of the cooperative shall be “The Menomonie Food Co-op”.

**1.7. Articles of Incorporation.** The Articles of Incorporation attached hereto as Exhibit B shall be the articles of incorporation of The Menomonie Food Co-op (the “Articles”) until thereafter amended as provided therein and under the Wisconsin Cooperative Law.

**1.8. Bylaws.** The Bylaws attached hereto as Exhibit C shall be the Bylaws of The Menomonie Food Co-op (the “Bylaws”) until thereafter amended as provided therein and under the Wisconsin Cooperative Law.

**1.9. Ownership.** All owners of the Parties as of the Effective Time shall automatically, by virtue of the Merger and without any additional action on behalf of the Parties, become owners of The Menomonie Food Co-op immediately following consummation of the Merger.

**1.10. Equity Retirement.** Each of the Parties agrees that it will not pay or retire any patronage equity or ownership shares or other equity interests of any of its owners between the vote of approval of this Agreement by both Parties and the Closing Date, except that each Party may pay out the equity and other ownership interests of deceased owners in accordance with its past practice.

## **ARTICLE II GOVERNANCE AND MANAGEMENT OF THE MENOMONIE FOOD CO-OP**

**2.1. Directors.** The board of directors of The Menomonie Food Co-op immediately following consummation of the Merger shall be the individuals specified below. Each individual shall hold office until the earlier of their respective death, resignation or removal or until their respective successor is duly elected and qualified in the manner provided for in the Articles or Bylaws (the board of directors of The Menomonie Food Co-op shall be referred to herein as the “Board”). Subject to the initial Board set forth below, the composition, election and voting requirements of the Board shall be as described in the Bylaws.

NAME	TERM UP
Barb Button	2022
Marianne Holm	2024
Susan Krahn	2023
Kyle Lehman	2022
Joey Meicher	2022
Kathy Mitchell	2024
Sarah Paquette	2023
Rick Remington	2023
Karlee Wallin	2024

**2.2. Officers.** The officers of The Menomonie Food Co-op immediately following consummation of the Merger shall be promptly named by the Board, and each such individual shall hold the office next to their name until the earlier of their respective death, resignation or removal or until their successor is elected and qualified pursuant to the Bylaws.

**2.3. Committees.** The Menomonie Food Co-op shall have those committees described in the Bylaws and/or established by the Board.

### **ARTICLE III MERGER CONSIDERATION**

**3.1. Articles and Bylaws.** From and after the Effective time, ownership in The Menomonie Food Co-op and all shares and equity in The Menomonie Food Co-op issued or credited in exchange for the shares and equity in the Parties shall in all instances be governed by the provisions of the Articles and the Bylaws.

**3.2. Conversion of Stock and Equity.** At the Effective Time, as a result of the Merger and without any action on the part of the Parties or any of the Parties' owners, the manner and basis of converting shares and patronage equity interests of JLF into shares and patronage equity interests, if any, of The Menomonie Food Co-op (the "Conversion"), and the manner and basis of making distributions to the owners of JLF in extinction of or in substitution for their shares and patronage equity interests, if any, in JLF, shall be as follows:

(a) Each share of common stock in JLF issued to an eligible owner and outstanding immediately prior to the Effective Time shall be converted into one share of Class A common stock and up to 5 shares of Class B preferred stock in The Menomonie Food Co-op. The number of Class B preferred shares will be determined by the current equity investment of such owner in JLF at the time of the Closing Date.

(b) No person or entity shall have more than one vote in the affairs of The Menomonie Food Co-op, or own more than one share of Class A common stock of The Menomonie Food Co-op. If, immediately prior to the Effective Time, a person or entity is an owner of both JLF and The Menomonie Food Co-op, such person or entity shall only receive one share of Class A stock of The Menomonie Food Co-op, and any additional shares of common stock such person or entity would be entitled to pursuant to the above conversion procedures shall instead be converted into an equivalent number of shares of Class B stock of The Menomonie Food Co-op.

(c) Each share of preferred stock of JLF and outstanding immediately prior to the Effective Time shall be converted to one share of Class D preferred stock of The Menomonie Food Co-op, and shall carry the same rights, terms and preferences as the preferred stock of JLF.

**3.3. No Further Ownership Rights in Stock or Equity.** The Conversion will be deemed to have been issued and allocated in full satisfaction of all rights pertaining to shares and equity interests of the Parties.

### **ARTICLE IV OWNER MEETINGS**

**4.1. Owner Meetings.** Each Party (i) shall take all action necessary under all applicable law to call, give notice of and hold a meeting of such Party's owners (each an "Owner Meeting") to vote on approval of this Agreement, including consummation of the Merger and the other

transactions contemplated hereby; (ii) submit such proposal to such owners at its Owner Meeting and make available to each of its owners the Joint Information Statement that has been jointly prepared by the Parties to provide complete and consistent information regarding the Merger to owners of both of the Parties; and (iii) not submit any other proposal to such owners in connection with the Owner Meeting without the prior written consent of the other Party.

**4.2. Record Date.** Each Party, shall set the date of this Agreement as the record date for persons entitled to notice of, and to vote at, the Owner Meeting and shall not change such record date without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed). Only those owners who are owners in good standing on the date of this Agreement shall be entitled to vote for the Merger, unless the Board of Directors of both Parties mutually approve a later record date.

**4.3. Postponement.** Notwithstanding anything to the contrary contained in this Agreement, a Party may, after consultation with the other Party, adjourn or postpone the Owner Meeting only: (i) if, as of the time for which the Owner Meeting is originally scheduled, there is insufficient owner voting power represented (either in person or by proxy) to constitute a quorum necessary to conduct the business to be conducted at the Owner Meeting; or (ii) if such Party believes more time is required to ensure a likelihood that the required owner vote will be obtained.

**4.4. Meeting Notice.** The official meeting notice with respect to each Owner Meeting shall include a statement to the effect that such Party's board of directors has determined that this Agreement, including consummation of the Merger and the other transactions contemplated hereby, are in the best interests of such Party and fair to such Party's owners, and recommends that such Party's owners who are entitled to vote thereon vote to approve such proposal. Such determination and recommendation by the Parties' boards of directors shall not be withdrawn or modified in a manner adverse to the other Party prior to the earlier of the Owner Meetings and termination of this Agreement pursuant to Article IX.

## **ARTICLE V HUMAN RESOURCE MATTERS**

**5.1. Employee Transition and Benefits.** All staff of the Parties existing as of the Closing Date will continue being compensated at or above their pay rate as of July 21, 2021, assuming each such employee maintains a position equivalent to his/her current position and shall, to the extent possible, be provided the same benefits, wages, and job level. The Menomonie Food Co-op reserves the right to reassign staff based upon operational needs and staff skill level.

## **ARTICLE VI DISPUTE RESOLUTION**

If a dispute or disagreement arises between the Parties relating to the Parties' respective rights or obligations arising under this Agreement and/or the interpretation and effect of this Agreement and the transactions contemplated hereby, the Parties agree to first strive to resolve any such dispute in good faith and through informal channels before pursuing any legal actions.

## ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE PARTIES

As an inducement to the Parties to enter into this Agreement and with the understanding that the Parties will be relying thereon in consummating this Agreement and the transactions contemplated hereby, except for matters disclosed through due diligence and for facts or circumstances which in the aggregate would not have a material adverse effect on the business or operations of the Parties taken as a whole, each of the Parties hereby represents and warrants to the other Party as follows:

**7.1. Organization.** The Party has been duly organized and are validly existing and in good standing under the laws of the State of Wisconsin with the power and authority necessary or required by law to carry on the business activities in which it is presently engaged. There are no pending proceedings or actions to limit or impair any of such Party's powers, rights and privileges, or to dissolve or liquidate the Party.

**7.2. Authority for Agreement.** The Party possesses all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. Except as otherwise provided elsewhere in this Agreement, the Party is not aware of any material, adverse consequences that the Merger may have with respect to their programs or property to be succeeded to by The Menomonie Food Co-op. This Agreement has been duly executed and delivered by the Party and constitutes the valid and legally binding obligation of the Party, enforceable in accordance with its terms. No other corporate proceedings on their part are necessary to authorize the execution, delivery or performance of this Agreement. The execution, delivery and performance of this Agreement by the Party, and the consummation of the transactions contemplated hereby, will not conflict with or result in any violation of or default under (a) any provision of the governing documents of the Party or any statute, ordinance, rule or regulation applicable to the Party; (b) any other agreement, understanding, instrument or order to which the Party is a party or by which the property of the Party is bound; (c) violate or conflict with any provisions of any license or permit of the Party; or (d) violate any statute or law or any judgment, order, decree, regulation or rule of any court or governmental authority applicable to the Party.

**7.3. Authorized Stock.** As set forth on Exhibit D, the Party has disclosed to the other Party the number and classes of its current owners and all of its outstanding shares. A complete and accurate list of the total number of owners of the Party and the number of shares held by each, free and clear of all liens, encumbrances, and claims of any kind is maintained and available for inspection at the offices of the Party. Each share is validly authorized, and no other shares in the Constituent Corporations carry preemptive rights and nor will any such rights come into being as a result of this Merger. No option, warrant, call or commitment of any kind exists which would obligate the Constituent Corporations to issue any shares.

**7.4. Patronage Equity.** All patronage equity, in whatever form, allocated or unallocated, on the books and records of the Party has been validly issued and accurately reflects the patronage activities of all patronage business done with or by the Party. The Party maintains a system of accounting with respect to equity consistent with all requirements of Subchapter T of the Code, and credits, allocates and declares dividends with respect to patronage equity in accordance with

such requirements. The ownership of, and owner register with respect to, the Party's patronage equities as reflected in its books and records are accurate, and such patronage equity records have been disclosed to the other Party.

**7.5. Record Books.** The minute books and cooperative record books of the Party are complete and correct in all material respects and record all transactions required to be recorded under any and all federal or state laws or regulations.

**7.6. Required Owner Vote.** The affirmative vote of at least 66 2/3% of the owners (i.e., the holders of Class A common stock of the Party) voting on the Merger, voting as a single class at a duly noticed and held meeting of such owners, in favor of the Merger is the only vote of the owners of the Party or of any holders of any other class or series of the capital stock or ownership stock of the Party necessary to approve this Agreement and authorize the consummation of the Merger and other transactions contemplated hereby.

**7.7. Financial Information.** The Party has previously disclosed to the other Party all of the latest financial statements, tax returns and other financial records of the Party (the "Financial Statements"). To the best of the Party's knowledge, all the Financial Statements are true, and completely and accurately reflect the financial condition of the Party and its activities, including the assets and liabilities of the Party and the results of the Party's operations. The Financial Statements reflect the liabilities, of a capital and non-capital nature, of the Party, and have been prepared in accordance with generally accepted accounting methods, consistently applied throughout the periods indicated. The Party has delivered to the other Party accurate lists of all liabilities of which it is, or should be, aware. The Party also represent that none of its assets are specifically appropriated for a certain purpose or that any of its assets are of a restricted nature.

Since the date of the most recent Financial Statements, neither Party has entered into any transaction not in the ordinary course of business or that would or may materially affect its business, properties, assets, capital or condition, financial or otherwise.

**7.8. Tax Matters.** The Party has filed all federal, state, county, local and foreign tax returns, including information returns, required to be filed by it, and paid all taxes owed by it, including those with respect to income, withholding, social security, unemployment, workers' compensation, franchise, ad valorem, premium, excise and sales taxes, and no taxes shown on such returns to be owed by the Party or assessments received by the Party is delinquent. There are no liens for taxes upon the Party, or any of its assets. The Party is not a party to any pending action or proceeding, nor, to the best of the Party's knowledge, is any such action or proceeding threatened by any governmental authority for the assessment or collection of taxes, interest, penalties, assessments or deficiencies, and no issue has been raised by any federal, state, local or foreign taxing authority in connection with an audit or examination of the tax returns, business or properties of the Party which has not been settled, resolved and fully satisfied. The Party has paid all taxes owed or which it is required to withhold for amounts owing to employees, creditors or other third parties. On or before the Closing Date, the Party will have made adequate provision for all accrued but unpaid federal, state, county, local and foreign taxes, interest, penalties, assessments or deficiencies of the Party with respect to all periods ending on or before the Closing Date.

**7.9. Restrictive Agreements.** The Party is not subject to any cease and desist order issued by, or a party to any written supervisory agreement, or memorandum of understanding with, any federal or state governmental authority charged with the supervision or regulation of the Party.

**7.10. Litigation.** There is no pending or, to the best of the Party's knowledge, threatened claim, action, suit, investigation or proceeding before any court, arbitrator or federal, state or other governmental commission, board, authority or other agency against or affecting the Party, and there currently is no judgment, decree, order, writ or injunction of any court or governmental department, board, agency or instrumentality against or affecting the Party.

**7.11. Regulatory Filings.** The Party has filed all applicable reports, returns, notices and filing information data with state and federal authorities and regulatory agencies as are required by federal or state law or regulations which would have a material adverse effect on the continued operation by The Menomonie Food Co-op after the Effective Time.

**7.12. Title to Property.** The Party has good and marketable title to all of the property and assets, real and personal, reflected on its books and records or used in its business, free and clear of all mortgages, pledges, charges, liens and encumbrances, except for mortgages or other liens securing indebtedness or amounts owed to government entities or other parties and listed for the Party on Schedule 7.12. All real and personal property and assets held by the Party under leases are held under valid and enforceable leases, all of which have been previously disclosed to the other Party. The Party is not in default in any respect under any such lease, each such lease will continue in full force and effect immediately after consummation of the transactions contemplated by this Agreement, and there is no dispute between the Party and other parties to such leases or the owners of the leased real property.

**7.13. Employees.** The Party has fully complied with all applicable local, state and federal laws and regulations relating to employment or the termination of employment ("Employment Laws"), including but not limited to laws relating to labor relations, discrimination, hours of work, and the payment of wages, including overtime wages. There are no complaints, controversies, lawsuits, or other judicial or administrative proceedings pending against the Party brought by or on behalf of any applicant for employment, any employee or any former employee, or any class of the foregoing, in any way relating to an Employment Law, or alleging breach of any express or implied contract of employment, or of any other discriminatory, wrongful or tortious conduct that is in any way relating to the Party's employment relationship with an applicant for employment, an employee, or any former employee. To the best of the Party's knowledge, neither the Party nor any representative or employee of the Party has committed any unfair labor practices in connection with the operation of its business.

**7.14. Insurance Policies.** The Party has previously disclosed to the other Party all insurance policies and bonds held by the Party and insuring the Party against any losses ("Insurance"), and all Insurance is currently in full force and effect. When applying for any Insurance, the Party did not make any material misstatement of fact or fail to state any material fact which may adversely affect the coverage provided. The Party has properly and adequately notified all insurance carriers of any and all claims known to the Party for which the Party is insured, has received no notice of cancellation of the Insurance, and to the best of the Party's knowledge, has complied with all other material requirements and conditions of the Insurance.



**7.15. Intellectual Property.** The Party owns or exclusively holds all rights to use, free and clear of all liens, claims and restrictions, all trademarks, service marks, trade names, logos and copyrights used in its operation. In operating, the Party does not infringe upon the right or claimed right of any person under or with respect to any of the above and the Party is not obligated under any license or contract to pay royalties or fees with respect to third party trademarks, copyrights or other intellectual property.

**7.16. Compliance with Laws.** The Party has complied in all material respects with all applicable laws and regulations of federal, state and local governments and all agencies thereof which affect the business or any owned or leased properties of the Party and to which the Party may be subject, and there are no currently pending or, to the best of the Party's knowledge, threatened investigations, probes or claims by any such governments or agencies against the Party alleging or investigating a possible violation of any such law or regulation.

**7.17. Completeness of Disclosures.** No representation or warranty of the Party in this Agreement or the schedules or exhibits hereto, if any, and no statement, certificate, schedule or exhibit furnished or to be furnished, if any, by or on behalf of the Party to the other Party or its agents pursuant hereto, during the course of due diligence, or in connection with the transaction contemplated by this Agreement, including, without limitation, the Financial Information, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein not misleading. In addition, the Party has disclosed to the other Party all documents and information requested by the other Party during the course of due diligence, and to the best of the Party's knowledge, each Party's responses to the other Party's due diligence requests were true, complete and accurate.

**7.18. Continued Operation.** The Party represents and warrants that, prior to the Closing, the Party will continue to operate in a manner substantially consistent with the manner in which it operated historically.

**7.19. Representations and Warranties.** The representations and warranties contained in Sections 7.1 through 7.18 hereof shall be true on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. Each party will give prompt written notice to the other Party of any material adverse development causing a breach of any of its own representations and warranties contained herein. Such representations and warranties have been made by the Party with the knowledge and expectation that the other Party is relying thereon; *however*, all such representations and warranties shall expire on the Closing Date and no Party shall have a claim for misrepresentation or breach of warranty except in cases of fraud or intentional misrepresentation.

## **ARTICLE VIII CONDITIONS TO CLOSING**

**8.1. Conditions to Closing.** The obligation of any of the Parties to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions on or before the Closing Date:

- (a) **Satisfactory Due Diligence.** Each Party shall have been satisfied with the results of its due diligence investigation of the other Party.
- (b) **Accuracy of Representations and Warranties.** The representations and warranties made by the Parties in this Agreement shall be correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made as of the Closing Date.
- (c) **Owner Approval.** This Agreement and the Merger shall have been adopted and approved by the requisite vote of each of the Parties in accordance with this Agreement and with the requirements of the Wisconsin Cooperative Law and the governing documents of such Party.
- (d) **Financing and other Approvals.** The Parties shall obtain the consents of their lenders or, if such consents are not received, the parties shall obtain satisfactory refinancing with another lender; and the Parties shall have obtained consents as necessary from any landlord or significant vendor if and to the extent required by the applicable lease or contract. Without limiting the foregoing, MMFC shall have obtained all necessary consents from the parties to MMFC's December, 2015 New Market Financing transaction, in a form satisfactory to both Parties.
- (e) **Compliance with Conditions.** The Parties shall have performed in all material respects all of the conditions required to be performed and complied with by such Party under this Agreement prior to the Closing.
- (f) **Governmental Filings.** All material governmental filings, authorizations and approvals that are legally required for the consummation of the Merger and other transactions contemplated hereby will have been duly made and obtained.
- (g) **No Action or Proceeding.** No action, suit, proceeding or investigation before any court or governmental body or authority, which presents a substantial risk of restraining or prohibiting the transactions contemplated by this Agreement or of having a material adverse impact on the business or operations of The Menomonie Food Co-op or the Parties shall have been instituted or threatened against the other Party on or before the Closing Date;
- (h) **Loss or Damage.** No damage, destruction, loss, casualty or other occurrence shall have taken place, whether or not covered by insurance, which has or could have a material adverse effect on the operations of a Party on or before the Closing Date.
- (i) **Material Adverse Change.** There shall have been no material adverse change in a Parties' business, properties, assets, capital or condition, financial or otherwise, on or before the Closing Date.
- (j) **Delivery of Documents.** At least ten (10) business days prior to the Closing Date, each of the Parties will deliver to the other Party:

- (i) a certificate of an appropriate officer(s) of such Party in a form satisfactory to The Menomonie Food Co-op's legal counsel, dated the Closing Date, stating that the conditions precedent set forth in (a) – (i) above have been satisfied;
- (ii) executed Articles of Merger;
- (iii) a copy of the text of the resolutions adopted by the owners and board of directors of such Party authorizing the execution, delivery and performance of this Agreement and the consummation of the Merger and all other transactions contemplated by this Agreement; along with a certificate executed on behalf of such Party, by its corporate secretary, certifying to the other Party that such copy is a true, correct and complete copy of such resolutions, and that such resolutions were duly adopted and have not been amended or rescinded; and
- (iv) such other certificates, documents and instruments as the Parties reasonably request related to the transactions contemplated hereby.

**(k) Articles of Merger.** The Parties shall have filed or arranged for the filing of the Articles of Merger with the Wisconsin Secretary of State.

**8.2. Waiver and Satisfaction of Conditions.** If any condition described in Section 8.1 is not met as of the Closing Date, the Party having the benefit of such condition shall have the option to (i) waive its objections to such condition or (ii) enter into a separate written agreement among the Parties addressing resolution of any unsatisfied condition and proceed with the Closing.

**8.3. Additional Documentation.** Each Party shall from time to time, subsequent to the Closing Date, at another Party's request and without further consideration, execute and deliver such other instruments of conveyance, assignment, assumption or transfer and take such other action as reasonably may be required in order to consummate the transactions contemplated hereby.

## ARTICLE IX TERMINATION OF AGREEMENT

**9.1. Termination.** This agreement may be terminated by any Party by written notice to the other Party at any time prior to the Closing:

- (a)** if any of the Parties' owners fail to approve of the Merger or if the total percentage of owner votes received by either Party is less than [ten percent (10.0%)] of the total number of its owners entitled to vote on the Merger;
- (b)** if any of the conditions set forth in Section 8.1 shall have not been, or if it becomes apparent that any of such conditions will not be, fulfilled by June 30, 2022, unless such failure shall be due to the Party seeking to terminate the Agreement's failure to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) if there is then pending any proceeding, in a court or brought by any government agency, to enjoin or prohibit the consummation of the Merger; or

(d) if an order of a court or of any governmental agency has been entered enjoining or prohibiting consummation of the Merger.

**9.2. Effect of Termination.** In the event of the termination of this Agreement in accordance with this Article IX, this Agreement shall forthwith become void and there shall be no liability on the party of any Party hereto except:

(a) as set forth in Article X; and

(b) that nothing herein shall relieve any Party hereto from liability for any willful breach of any provision hereof prior to the date of termination of this Agreement.

## **ARTICLE X MISCELLANEOUS**

**10.1. Amendment.** No amendment, modification, termination or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all Parties hereto.

**10.2. Assignment; Successors in Interest.** This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may otherwise be assigned by any Party hereto without the prior written consent of the other Party.

**10.3. Partial Invalidity.** Any provision of this Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

**10.4. Entire Agreement.** Except as otherwise specified herein (including, but not limited to, Sections 7.7, 7.12 and 7.17), this Agreement contains the entire agreement among the Parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings among the Parties, if any, with respect to the subject matter hereof.

**10.5. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

**10.6. Expenses.** Each Party will pay all of its own expenses (including attorneys', accountants' and consultants'), in connection with the negotiation of this Agreement, the performance of its respective obligations hereunder, and the consummation of the Merger and other transactions contemplated by this Agreement (whether consummated or not); *provided, however*, that it is understood and agreed that the reasonable and necessary expenses incurred by the Parties will reduce the net assets transferred to The Menomonie Food Co-op pursuant to the Merger. In the event that any such expenses incurred by the Parties are not paid on or before the Closing Date,



**IN WITNESS WHEREOF**, the Parties hereto have signed this Merger Agreement effective as of the date first set forth above.

**THE MENOMONIE FOOD CO-OP**

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

Name: Rick Remington

Title: Board President

**JUST LOCAL FOOD CO-OP**

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

Name: Karlee Wallin

Title: Board President

*[Signature Page to Agreement and Plan of Merger]*

## SCHEDULE 7.12

**Two New Markets Tax Credit loans payable to GWOFF Sub CDE 1, LLC . Both loans required interest only payments until January 2022, when monthly principal and interest payments totaling \$27,948 commence. Both loans mature December 2045 and are secured by substantially all the assets of MMFC.**

CDE Loan Agreement, dated December 29, 2015 by and between The Menomonie Food Co-op and GWOFF Sub CDE 1, LLC.

Leasehold Mortgage, Security Agreement and Assignment of Rents and Leases, dated December 29, 2015 by and between The Menomonie Food Co-op and GWOFF Sub CDE 1, LLC.

Security Agreement, dated December 29, 2015 by and between The Menomonie Food Co-op and GWOFF Sub CDE 1, LLC.

QLICI A Note, dated December 29, 2015 by and between The Menomonie Food Co-op and GWOFF Sub CDE 1, LLC.

QLICI B Note, dated December 29, 2015 by and between The Menomonie Food Co-op and GWOFF Sub CDE 1, LLC.

(collectively, the “NMTC Documents”)

## EXHIBIT A

### PLAN OF MERGER

Set forth below are various special considerations relating to the proposed Merger. The following is not intended to be an exhaustive list of considerations relating to the Merger and should be read in conjunction with the entirety of this Joint Information Statement and other documents available at [mmfc.coop/merger](http://mmfc.coop/merger). This statement was prepared by and reflects the decisions, analysis, and planning of the MMFC and JLF boards of directors and management teams, based on all agreements made in the merger documents.

#### A. Owners

**Owners and Locations.** After merger, any owner can shop at either location, and receive patronage credit, access to all promotions and benefits, and excellent customer service. Both ownerships will have access to new, local products that are currently not sold at their current co-op. Owners at JLF will have new access to a classroom and educational classes right away. Many MMFC owners live in Eau Claire and will own a co-op closer to them.

**Ownership Conversion and Eligibility.** Owners of JLF will automatically become owners of MMFC upon merger. Throughout their histories, MMFC owners have invested \$100 in ownership equity while JLF owners have invested \$150. At merger, all equity of all JLF owners will become equity in MMFC in the form of Class A and Class B shares. JLF owners will simply have more investment in the co-op, and be eligible to receive that full amount back should they request to leave ownership. People that are owners at both co-ops will have their total investment accounted for on the co-op's books, but like all other owners they will only receive one vote in elections after merger. After merger, the Board of Directors may decide to repurchase these normalizing shares and refund extra equity. After merger, people applying for ownership to the co-op will be asked to invest \$100.

**Capital and Patronage.** Owners will receive patronage dividends allocated in accordance with business done at both locations. Patronage dividends will be paid as cash and as Class B shares. People that were MMFC owners before our expansion in 2015 may have several years' worth of Retained Patronage B Shares; all of these shares will remain allocated after the merger.

**Loans and Preferred Share Investments.** All owner loans and preferred share investments will be honored fully. Currently both co-ops have several owners that own Class C or D Preferred Shares, and both co-ops have a few owners that have loans. The combined co-op has current assets to cover all of these shares and loans.

#### B. Management and Staff

There will be no staff layoffs as a result of the Merger. There may be restructuring of roles and duties to best use skills and fulfill desires, but all staff will remain employed and maintain their current or higher rate of pay. We believe there will be more opportunity for advancement to new



or expanded roles, and opportunities to increase both pay and benefits across all levels in the organization. Our staff are crucial partners and we want to continue that partnership as we shape the next chapter.

### C. Operations

The operational situation between MMFC and JLF is very unique in terms of merger, because many aspects of operations have already been fluidly handled by the leadership teams within both locations. Currently, the administrative department at MMFC provides all administrative functions for JLF and MMFC separately: Crystal Halvorson is the GM and serves both Boards, creates operational and development plans for both stores, manages the leaders at both stores, and executes the Ends of both co-ops. Kendall Williams and her team provide Marketing and IT services for both stores. Astrid Hayden provides HR services for both stores. Isabelle Rogge and her team provide financial management at both stores. Upon merger, much of the work done by this group will get more efficient, and allow for more exciting work in these areas at both locations.

**Store Operation.** The day-to-day operations at both stores will remain the same. Both stores are successful groceries that serve their customers well given their current locations. Product selection, signature departments, local vendors-- these things vary between the locations, and those decisions will continue to be made within the context of the location and the shoppers served. Upon merger, JLF will receive the same pricing that MMFC now enjoys with the larger distributors that serve both stores. As soon as we can, we will bring centralized pricing, which means that JLF prices on national brands will go down across the board. With growth after merger, both stores will see additional pricing benefits on national brands.

**Operational Planning.** The newly formed co-op will be in a position to make operational improvements at both stores. MMFC is currently undergoing a reset that includes the areas of bulk, grocery, bread, and deli, including some new equipment, to be completed in 2021. We have identified projects at JLF over the next 12 months that will better prepare the co-op for a move to a bigger location. The new freezer walk-in just installed, offsite office space downtown, and a point-of-sale system that can better handle data, promotions, and online purchasing are priorities for 2021-22. As one merged co-op, the combined organization has identified that the physical plant and amenities in Menomonie are serving them well right now, and that capital resources are best pushed to improvements in Eau Claire.

**Development.** A big benefit of the merger is that key players involved with MMFC's successful expansion in 2015 would be on the team to explore and deliver a new, bigger co-op to the downtown Eau Claire area. Our success over the last few years at both locations puts us in a combined position to pursue development opportunities as a top priority. The work accomplished together since early 2020 means that we can "hit the ground running" in this regard.

**Branding.** This merger agreement includes the decision to move forward under the brand Menomonie Market Food Co-op. This decision was made unanimously by all board members as the best strategic and business decision given the priorities of moving forward with operational

and developmental goals. The MMFC brand is almost 50 years old, does not have negative PR associated with it, and it has been invested in over the last three years to be ready for growth in the Chippewa Valley. We analyzed the time and monetary expense of moving away from the MMFC brand, and learned that it would substantially impact our ability to move forward with improvements to our stores and expansion to a new location in Eau Claire.

**D. Governance**

The current boards seated at MMFC and JLF will remain in place until the closing of the Merger, currently estimated to be Jan 1, 2022. At that time, leadership of each co-op will be centralized to one joint board of directors representing the consolidated cooperative.

**Board Composition and Elections.** The new co-op will begin with an initial board of nine directors, composed of five directors from MMFC and four directors from JLF. Over the next two election cycles, one board seat will be vacated until we arrive back at a seven-member board. Elections will be held according to the Bylaws proposed as part of this merger agreement, with approximately 1/3 of the board being elected in a given year.

**Board Composition Chart**

NAME	TERM UP
Barb Button	2022
Marianne Holm	2024
Susan Krahn	2023
Kyle Lehman	2022
Joey Meicher	2022
Kathy Mitchell	2024
Sarah Paquette	2023
Rick Remington	2023
Karlee Wallin	2024

**Officers.** Board officers will be elected by the members of the board at the first director meeting after the merger is complete, in accordance with the bylaws proposed as part of the merger agreement.

**Board Operations.** Both current boards use Policy Governance, and have policy registers that guide the work of the GM and of the Board. The current administrative team has been working under and monitoring policies from both boards since April 2020; the policy registers are very similar with no major conflicts between them. Upon merger, it will be the work of the board to audit all policies to ensure that the best policy register is incorporated into use.

**E. Conditions to Complete the Merger**

The obligation of the co-ops to complete the Merger is subject to the satisfaction of a number of conditions, including but not limited to the following:

**Owner Approval.** In order for the Merger to proceed, each of MMFC and JLF ownerships must approve the Merger by the affirmative vote of at least 2/3 of owners voting on the proposal. At least 10% of the owners eligible to vote in each election must do so for the election to be valid. If the proposal fails at either co-op, then the Merger would not move forward and the Merger Agreement would be terminated.

**Independent Valuations.** We believe independent valuations for each of the co-ops should be obtained prior to the closing to ensure that the share value of either co-op is not vastly over- or under-estimated. However, valuations are different for co-ops as opposed to public or privately owned, for-profit companies. In a co-op, the owners do not expressly “own” the excess value in a sale of the businesses, so for-profit company valuation models and practices are not as relevant.

The primary mission and purpose of our co-ops is not to maximize shareholder profit or investment return, but to provide owners with access to a community store that offers good food and good jobs. A co-op owner benefits not only from the value of the business as an expected return on investment, but also from patronage dividends, and from the value of participating in governance of the co-op and having local ownership in their community. We believe that the Merger advances these purposes without regard to the valuation of the owners’ equity. Owners receive the full benefits of ownership regardless of what value is placed on their shares.

**Disclosures.** Both co-ops will have the opportunity and responsibility to disclose to the other, and investigate of the other, all records in all detail to confirm accuracy and legality of legal matters, employment matters, finances, agreements, ownership matters, litigation, regulatory matters, intellectual property, and asset protection matters.

**Financing.** Each of the co-ops must obtain the consent of their lenders prior to the closing. If a lender’s consent cannot be obtained, the co-op must obtain satisfactory refinancing with another lender in order for Merger to proceed.

**Absence of Legal Proceedings.** There must not be, at the time of closing, any litigation, proceeding or investigation that is likely to pose a risk to the Merger or is likely to be material and adverse to any of the co-ops’ businesses in order for the Merger to be completed.

**Absence of Certain Losses or Damages.** Prior to the closing, there must not have been any loss or damage that has or could have a material effect on the operations of either of the co-ops.

## F. Termination

The Merger Agreement may be terminated at any time prior to closing.

## G. Articles and Bylaws

Both co-ops currently have updated and legal Articles of Incorporation, registered with the State of Wisconsin. Both co-ops have used the State’s template, so the documents are very similar. The new Articles would be very similar to the existing, confirming the name and location of the legal entity, expanding the number of shares available to be sold to accommodate our growing ownership and to offer preferred shares for an expansion in Eau Claire, and

accurately describing the combined types of stock from both co-ops. The Articles defer to either WI state cooperative law or our Bylaws wherever possible.

Both co-ops currently have updated and legal Bylaws. The new bylaws are different from the current JLF Bylaws in that repetitive content that is covered by Wisconsin Chapter 185 or by co-op policy is struck, there are different timelines for notice of meetings, and different quorums for meetings. There is the addition of language regarding handling equity if an owner dies, and language around virtual meetings and online elections. Director term limits were removed, and language preventing staff from serving on the board was added. The new Bylaws are different from the current MMFC Bylaws in that there are different timelines for notice of meetings, and different quorums for meetings. There is added language around virtual meetings and online elections, and language preventing vendors from serving on the board was eliminated.

#### **H. Unknown Liabilities**

The co-ops may have certain liabilities that are unknown presently or at the time of the closing, and which would be assumed by MMFC in the Merger. An unknown liability of one co-op from prior to the closing could affect the owners of the other co-ops. If a material liability were to become known prior to closing, either co-op may decide not to proceed with the Merger. Also unknown are the material effects of the merger not passing, or the possible material effects if a number of members upset by the outcome of the election choose to leave the co-op or stop patronizing it.

#### **I. Costs**

Certain costs relating to the Merger, such as legal, accounting and certain advisory fees, must be paid by us even if the Merger is not completed. We anticipate that the Merger costs will be approximately \$20,000. The co-ops have agreed to share these costs.

#### **J. Consequences of a NO vote**

In the case that one or both co-ops' elections result in a failure of the merger to pass, the Merger would not move forward and the Merger Agreement would be terminated. The Boards would have the option of calling for another set of elections if any irregularities were discovered, or if the margin of failure was extremely close. Otherwise, negotiations would stop. The contract between JLF and MMFC for administrative services ends on December 31, 2021. It is likely in the case that merger is not approved, that both co-ops would let that contract run out without renewal. The spirit of cooperation between MMFC and JLF has been alive and well for 18 years, and it would not stop because of failure to merge, but the contractual help and work would likely stop.

For JLF, recovery after a no vote would entail hiring for GM, HR, Marketing, Finance, and IT services. The 2022 fiscal year would be one of rebuilding operations, and likely investing time in strategic planning to create a vision and plan for the years to come.

For MMFC, a no vote means that the co-op's goals around spreading reach farther into the Chippewa Valley are not met through cooperation with JLF, and the focus will shift to other opportunities to reach that important part of our five-year vision.

## EXHIBIT B

### ARTICLES OF INCORPORATION

PURSUANT to Section 185.54 of the provisions of Chapter 185 of the Wisconsin Statutes, the following Amended and Restated Articles of Incorporation have been duly adopted pursuant to the authority and provisions of Chapter 185 of the Wisconsin Statutes and hereby supersede and take the place of the existing articles of incorporation and any amendments thereto:

Article 1. Name of the cooperative:

The Menomonie Food Co-op

Article 2. Its term of existence shall be perpetual.

Article 3. The cooperative is organized to engage in any lawful activity within the purposes for which a cooperative may be organized under Chapter 185 of the Wisconsin Statutes.

Article 4. The address of the cooperative's principal office in Wisconsin is:

814 Main Street East  
Menomonie, WI 54751

Article 5. The number of directors constituting the Board of Directors shall be as set forth in the bylaws.

Article 6. The classes of owners are all of a single class.

Article 7. The cooperative is organized with capital stock.

Article 8. The cooperative is authorized to issue 47,190 shares of capital stock of the following description:

Class A Stock: 7000 shares; \$25 par value per share

Class B Stock: 35,000 shares; \$25 par value per share

Class C Stock: 5000 shares; \$500 par value per share

Class D Stock: 190 shares; \$500 par value per share

The preferences, limitations, designation, and relative rights of each class of stock are as follows:

Class A stock may be issued for cash to any eligible person or entity according to the bylaws. Class A stock shall be the ownership stock of the cooperative. Each owner shall hold only one share of Class A stock and eligible holders shall be entitled to one vote in any meeting of the stockholders. No dividends shall be paid on Class A stock. Class A stock is not transferable,

except to heirs or estates with the approval of the Board of Directors or pursuant to the terms and conditions of a policy adopted by the Board of Directors permitting transfers to heirs or estates. Class A stockholders may request the cooperative's Board of Directors to redeem their stock at any time. Any redemption request requires approval of the cooperative's Board of Directors.

Class B stock may be issued for cash or in payment of patronage refunds to any owner. Class B is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63. No dividends shall be paid on Class B stock. Class B stock is not transferable, except to heirs or estates with the approval of the Board of Directors or pursuant to the terms and conditions of a policy adopted by the Board of Directors permitting transfers to heirs or estates. Class B stockholders may request the cooperative's Board of Directors to redeem their stock at any time. Any redemption request requires approval of the co-op's Board of Directors.

Class C stock may be issued for cash. Class C is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63. The rate of dividend on Class C stock shall not exceed 8% of its par value for any year. Dividends on Class C stock of any series shall be cumulative or noncumulative as established by the Board of Directors at the time the series is established by the Board of Directors. Class C stock is not transferable, except to heirs or estates with the approval of the Board of Directors or pursuant to the terms and conditions of a policy adopted by the Board of Directors permitting transfers to heirs or estates. The cooperative shall have a lien on all of its issued Class C stock for all indebtedness of the stockholders to the Cooperative. Class C stockholders may request the Cooperative's Board of Directors to redeem their stock at any time, subject to the terms and conditions of each series of stock. Any redemption request requires approval of the cooperative's Board of Directors. The Board of Directors has the authority to issue Class C stock in multiple series. The Board shall establish the number of shares offered, rate of dividend, redemption terms, and any such additional terms and conditions as the Board deems appropriate at the time of issuance for each series of Class C Stock.

Class D stock may be issued for cash. Class D is preferred stock without voting rights, except as provided in Wisconsin Statute Sections 185.52, 185.61, and 185.63. The rate of dividend on Class D Stock shall not exceed 3% of its par value for any year. Dividends of this class shall be noncumulative.

At the discretion of the Board of Directors, all non-cash patronage equity distributions made to owners pursuant to the bylaws (i) may be distributed in the form of uncertificated patronage equity credits, or (ii) may be distributed in the form of Class B stock or credits on Class B stock or ad interim certificates representing fractional parts thereof, subject to conversion into full shares.

The cooperative reserves the right to acquire or recall any stock, and shall pay the stockholder the par value of their stock, or its book value, whichever is lower, plus any dividend declared thereon.

In the case of dissolution or liquidation of the cooperative, there shall be given a preference to holders of Class C and D, then Class B, and finally Class A stock. The holders of Class B stock

shall be entitled to receive the par value of their stock or in the case of Class C and Class D stock, the purchase price and liquidation value of the Class C or Class D stock, or its book value, whichever is lower, plus any unpaid but declared dividend thereon.

Article 9. The basis of distribution of assets upon dissolution, voluntary or involuntary, shall be provided by law, except as may be set forth in the Bylaws of this cooperative in any provision not prohibited by law.

Article 10. These articles of incorporation may be amended to change the foregoing basis for distribution of assets upon liquidation of the cooperative.

These amended and restated articles were approved by the owners pursuant to an Agreement and Plan of Merger and the approval thereof by the owners of both The Menomonie Food Co-op and Just Local Food Cooperative.



## **EXHIBIT C**

### **BYLAWS**

#### **SECTION 1: PURPOSE**

- 1.1 The purpose of the cooperative is to engage in those activities for which co-ops may be organized under Chapter 185 of the Wisconsin State Statutes.

#### **SECTION 2: OWNERSHIP**

- 2.1 On the effective date of the merger that formed the Cooperative, all of the eligible owners of The Menomonie Food Co-op and Just Local Food Cooperative were automatically admitted to ownership as specified in the merger plan dated July 21, 2021 (the "Merger Plan"). Thereafter, any eligible person or entity may be admitted to ownership upon submitting an application on a form and in the manner provided by the Cooperative and purchasing one (1) share of Class A stock and three (3) shares of Class B stock in an amount and on such terms as may be determined by the board of directors (the "Board"), and meeting other reasonable conditions of ownership as established by the Board. Each application shall be acted on by the Board at the first meeting of the Board following receipt of the application. The Board shall have full authority to approve or reject an ownership application based on policies established and approved by the Board. A copy of the Articles of Incorporation and Bylaws of the Cooperative shall be made available to each owner upon request to the Board.
- 2.2 Any natural person, cooperative, non-profit organization, partnership or business may be accepted into ownership on terms established by the Board of Directors of the cooperative by filling out an application form and purchasing the required stock.
- 2.3 This association shall not discriminate on social or political grounds or on the basis of race, creed, age, sex, handicap, sexual preference, gender, or marital status.
- 2.4 Failure to pay any installment by the due date or failure to keep a current address with the cooperative will result in the ownership being terminated. If an owner dies, or voluntarily terminates ownership in the cooperative, then the equity and patronage dividend amount allocated to that owner will be forfeited by the owner to the cooperative, in accordance with the notification provisions of Wisconsin Statutes, Chapter 185.03(10). Subsequent to such a forfeiture, the owner of forfeited funds may make a claim for such funds which, if found to be legitimate, shall result in a refund to the claimant. A terminated owner may request reinstatement by written request to the Board of Directors. Refund of forfeitures and reinstatement of ownership are subject to approval by the Board of Directors.
- 2.5 Ownerships are non-transferable, except that owner equity may be transferred to a successor on death or to a successor entity on dissolution or in a merger with the consent of the Board

(which may be given in a policy of general application).

2.6 Ownerships may be terminated by decision of the Board of Directors.

### **SECTION 3: DIRECTORS**

- 3.1 The Board of Directors (the “Board”) shall consist of not less than five (5) directors and not more than nine (9) directors, the exact number to be fixed from time to time by resolution of the Board, acting by not less than a majority of the directors then in office. Directors shall be elected from among owners of the Cooperative. Except for matters for which owner voting is required, the Board shall govern the Cooperative through policy, including, but not limited to, hiring a general manager and evaluating their performance, establishing compensation (if any) for the Board and assuring that the mission of the Cooperative is carried out.
- 3.2 Directors must be active owners of the Cooperative in good standing or the authorized representative of a legal entity that is an owner. Employees may not serve as directors.
- 3.3 The initial Board shall be determined as specified in the Merger Plan. Thereafter, elections shall occur annually, in a manner prescribed by the Board. Directors shall serve a term of three (3) years and shall serve staggered terms so that approximately one- third (1/3) of the Board is elected each year.
- 3.4 The Board shall meet monthly, a minimum of ten times per year. These meetings shall be held at a regular, established time and an agenda will be made available to the ownership at least two days before the meeting. Any owner may attend a meeting of the Board. Any owner wishing to address the board may do so during the Public Comments agenda item. The board may include a closed session in the agenda at any given meeting. Any person, other than directors, may be asked to leave at the time of the closed session. Binding decisions may not be made during closed session of the Board. The Board may specify that a meeting will be conducted solely through one or more means of remote communication, provided that notice is given and that the quorum requirements are met. Remote communication includes any communication that is accomplished by means of electronics, telephone, video or internet conferencing, or such other means through which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis. Participation in a meeting through a form of remote communication that is authorized by the Board constitutes personal presence at the meeting.
- 3.5 A majority of the directors shall constitute a quorum at all meetings of the board, and a majority of the directors present shall decide all questions, unless otherwise specified in these bylaws or the articles of incorporation.
- 3.6 Any director may resign at any time by written notice to any officer. Vacancies occurring between elections shall be filled by the Board for the remaining length of the term of the vacated position, at which time it will be filled by election.

3.7 A director may only be removed upon an affirmative vote of two-thirds of the remaining directors.

#### **SECTION 4: OFFICERS**

- 4.1 The principal officers of the co-op shall be the President, Vice President, Secretary, and Treasurer, each of whom shall be elected by the Board of Directors from the ownership of the Board of Directors.
- 4.2 The officers shall be elected annually at the first board meeting following the annual general ownership meeting.
- 4.3 The offices of Secretary and Treasurer may be held by the same individual.
- 4.4 Vacancies may be filled as in 3.6.
- 4.5 An officer may be removed from office by a majority vote of the directors.

#### **SECTION 5: COMMITTEES**

- 5.1 Committees may be formed as needed by the Board of Directors in compliance with board policy.
- 5.2 Each committee shall have a chairperson and at least one person who is a member of the board. The chairperson shall be responsible for the actions of the committee, and for making activity and progress reports at the monthly meetings of the Board of Directors.

#### **SECTION 6: MEETINGS**

- 6.1 There shall be one Annual Ownership Meeting per year. Notice of the Annual Ownership Meeting must be posted in the store and announced to owners at least thirty (30) days prior to the meeting.
- 6.2 A quorum necessary for the transaction of business shall be at least ten percent (10%) of the total number of voting owners of the association, except that when the number of owners shall exceed five hundred (500), fifty (50) voting owners present shall constitute a quorum. Should there not be a quorum of owners at an ownership meeting, voting may take place by mail or by electronic or online or other methods as determined by the Board. in order to obtain the requisite number of owners for the transaction of business.
- 6.3 Special Meetings may be called by the president or upon petition by at least twenty percent of the general ownership. Meetings are open to all owners. Such meetings must be announced to the ownership at least ten days in advance, along with an agenda.

## **SECTION 7: VOTING**

- 7.1 Each owner shall have one vote upon any matter submitted to a vote of the owners.
- 7.2 An owner must have purchased the required Class A and B stock in order to be eligible to vote.
- 7.3 Voting on motions put to the ownership or on elections for directors may occur outside of a meeting by signed ballot or by electronic or online or other methods as determined by the Board.

## **SECTION 8: ALLOCATIONS TO OWNERS**

- 8.1 The Cooperative shall allocate and distribute to owners the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made, including the amount, if any, distributed in cash and the form of any amount distributed as patronage equity, whether the allocations will be made in one or more divisions, departments or allocation units, and whether all or part of the excess margins shall be set-aside in capital or other necessary reserves.
- 8.2 By obtaining or retaining ownership in the Cooperative, each owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Cooperative. Each owner also agrees that if his or her patronage dividend is not cashed within 90 days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to make a contribution in the name of that owner to support other organizations aligned with the Cooperative's purpose in a manner as may be directed by the Board.
- 8.3 Amounts carried in reserves shall be allocated on the books of the Cooperative on a patronage basis or in lieu thereof the books and records of the Cooperative shall afford a means of doing so at any time so that in the event of distribution each owner and eligible patron may receive a pro rata share of such distribution. Amounts carried in reserves or unallocated surplus and not allocated to the owners and patrons may be so allocated by the Board at any time.
- 8.4 Margins produced by a transaction (such as income from the lease of premises, investment in securities, or from the sale or exchange of capital assets) which is directly related to the Cooperative's business will be deemed to be patronage sourced margins and may be distributed to owners (and any other patrons with whom the Cooperative has contracted to deal on a patronage basis) in proportion, insofar as is practicable, to their patronage during any period to which such margins are attributable, as determined by the Board.
- 8.5 Reserves.

- a. Operating Losses. An operating loss will be apportioned among the owners and eligible patrons during the year of loss so that the loss will, to the extent practicable, be borne by those owners and patrons with respect to the loss year on an equitable basis, including charging the loss against allocated reserves, unallocated surplus, or the patronage equity. Owners and patrons may not be directly assessed for any loss. The Board may also direct that all or part of any loss be carried forward or back so long as any carryforward or carryback will not place an inequitable burden upon past or future owners.
- b. Other Losses. If, in any fiscal year, the Cooperative incurs a loss other than an operating loss, the Board may determine the basis on which patronage capital furnished by the owners and eligible patrons may be reduced or such loss is to be otherwise equitably apportioned among the owners and eligible patrons.

## **SECTION 9: AMENDMENTS**

- 9.1 These bylaws may be amended by signed ballot at any annual or special ownership meeting, or by electronic or online election, which may begin two weeks prior to an annual meeting and end on the date of such annual meeting, or other means as determined by the Board.
- 9.2 Amendments may be proposed by decision of the Board or by petition of at least 5% of active members, who shall deliver the petition to the Board. Proposed amendments will be placed on the agenda of the next annual or special ownership meeting, provided that they are submitted to the Board no later than 45 days prior to the meeting. The Board shall publicize the proposed amendments in the meeting notice and will post in the store at least 30 days prior to the meeting at which the amendment will be considered.
- 9.3 An amendment is adopted when approved by a majority of those voting as set forth in Section 9.1.
- 9.4 Bylaws may also be amended by the Board of Directors by a three-fourths majority vote. Any bylaws so amended will be subject to approval of the general ownership at the next annual or special meeting. The general ownership has the final vote on all amendments.

**EXHIBIT D**

**AUTHORIZED STOCK**

STOCK TYPE	PAR VALUE	SHARES	AMOUNT INVESTED
Just Local Food Co-op: Ownership Stock (“Ownership Stock”)	\$150	1,418	\$212,650
Preferred Stock (“Class D Shares”)	\$500	206	\$103,000
<b>TOTAL OWNER INVESTMENT:</b>			<b>\$315,650</b>
The Menomonie Food Co-op: Ownership Stock (“Class A Shares”)	\$25	2,938	\$73,450
Common Stock (“Class B Shares”)	\$25	9,491	\$237,273
Retained Earnings (“Class B Shares”)	\$25	7,560	\$188,990
Preferred Stock (“Class C Shares”)	\$500	1,916	\$958,000
<b>TOTAL OWNER INVESTMENT:</b>			<b>\$1,457,713</b>