2014 Co-op Board Election/Article/Bylaw Amendment Vote

Six candidates are running for three open seats, and this year we also will be voting on bylaw amendments (they can be found in the November/December Shopper). When you receive your Shopper, look for the election section on pages 16-19, with your official mail-in ballot on page 19. Please take a few moments to mail your ballot — or vote at the annual meeting on December 6—ballot boxes will not be available in the stores.

Proposed Article and Bylaw Amendments

**Article 4**

**CLASS C** … In Class C, Series 1 there will be 39,000 authorized shares with par value of $25.00 per share. In Class C there will be 200,000 shares with a par value of $25.00 per share. …

**Bylaw IV • MEMBERSHIP**

**IV(1)** The Cooperative is owned by its members. Membership is open to any person, eighteen and older, or any legal entity interested in purchasing the goods or utilizing the services offered by the Cooperative.

**IV(6)** Cooperative memberships are not transferable or divisible, except in the case of the death of a member, in which case, the Board shall have the discretion to transfer a membership (including the transfer of capital stock) to a family member of the deceased member.

**Bylaw V • CAPITAL STOCK**

**V(8) (new)** PREFERRED STOCK: The Board shall have the authority and power to establish and issue one or more than one series of preferred stock of the Cooperative, to set forth the designation of such stock and to fix the relative rights, preferences, privileges and limitations of each such series of preferred stock.

**V(9) (new)** TRANSFER OF CAPITAL STOCK: Neither the common stock nor preferred stock of the Cooperative may be sold or transferred without the approval of the Board. No common stock or preferred stock shall be transferred unless any and all indebtedness owed to the Cooperative by the holder of the stock shall first be paid. Any purported transfer other than a transfer in accordance with these Bylaws shall be null and void and of no force or effect whatsoever. The Board may withhold its consent and approval to proposed transfers of common stock or preferred stock in its sole discretion. The Board is authorized to make further rules and regulations concerning the transfer of shares of common stock or preferred stock of the Cooperative, as it deems necessary to comply with applicable state and federal securities laws.

**Bylaw VII • MEETINGS OF MEMBERS**

**VII(1b)** MEETING SCHEDULE

(b) **Regular Membership Meetings:** Each year the Board shall, in its discretion, schedule at least one additional membership meeting Besides meetings other than the Annual meeting. In addition, the Board may define other Cooperative-related activities relating to governance and operation
of the Cooperative each year that are shall be open to all-members.

**VII(3a) VOTING**

a) In accordance with state statute, a quorum shall be 10% of the first 100 memberships plus 5% of additional memberships.

(a) A quorum at a member meeting shall be 10% of the first 100 members plus 5% of all additional members; provided, however, that a quorum shall never be more than 50 members nor less than 5 members or a majority of all members, whichever is less.

**VII(3c) (new) VOTING**

c) Members may vote via electronic ballot. A member must provide a verifiable email address of such member to the Cooperative no fewer than 10 days prior to a vote (or have a valid email address on file with the Cooperative) in order to vote electronically in any election or vote. Electronic ballots shall be deemed signed and cast upon electronic transmission to the Cooperative in accordance with voting instructions. The Board may establish such additional policies it deems necessary to conduct and assure accurate member voting via electronic ballot.

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**Bylaw VIII • BOARD OF DIRECTORS**

**VIII(1a) ELECTIONS:**

(a) **Description:** The Board of Directors shall consist of nine (9) persons. Prior to an election: three (3) Directors who primarily patronize the La Crosse facility, three (3) Directors who primarily patronize the Rochester facility, and three (3) Directors from either such nomination category representing the membership at large. Prior to each election of directors, the nominating committee will present a slate of candidates consisting of two (2) categories of candidates as follows: (a) members who primarily patronize the La Crosse facility (“La Crosse Candidates”); and (b) members who primarily patronize the Rochester facility (“Rochester Candidates”). All members will vote for each open seat on the Board of Directors to elect Directors such that the Board of Directors consists of the following representation: three (3) Directors from the La Crosse Candidates, three (3) Directors from the Rochester Candidates, and three (3) Directors from either nomination category representing the membership at large. Each member may vote for as many candidates as there are vacant seats regardless of the store any such candidate primarily patronizes. The La Crosse Candidate(s) with the highest number of votes will fill any then-vacant La Crosse seat(s), the Rochester Candidate(s) with the highest number of votes will fill any then-vacant Rochester seat(s), and the candidate(s) receiving the highest number of votes (excluding the Candidates that will fill jurisdictional seats) shall fill any then-vacant at-large seat(s). Beginning with the Board election for the 2017 calendar year (which election shall occur in late 2016 or such other time selected in accordance with these Bylaws), all requirements that any Director seat be filled by a La Crosse Candidate or Rochester Candidate shall cease and each Board seat shall be filled from among member-candidates selected without regard to primary store patronage.

**VIII(1c) Eligibility:** In order to qualify for election to the Board, a member must (i) be in good standing, (ii) not be a paid staff member of the Cooperative, (iii) not be associated with interests adverse to the Cooperative (as determined in the discretion of the Board), and (iv) pass a criminal background check.

**VIII(3) VACANCIES:** Any vacancy existing on the Board of Directors may be filled by appointment upon approval by the majority of directors then in office. The appointed
director will complete the term of the vacating director. Any replacement director so appointed must be from the same candidate category (La Crosse Candidate, Rochester Candidate or at-large) as the director being replaced. Beginning with the Board election for the 2017 calendar year (which election shall occur in late 2016 or such other time selected in accordance with these Bylaws), all requirements that any vacancy be filled by a La Crosse Candidate or Rochester Candidate shall cease and each Board seat shall be filled from among the members without regard to primary store patronage.

**Bylaw XI • AMENDMENT OF BYLAWS**

**XI(1)** Before a vote is taken to adopt, repeal, or amend any bylaw, members shall have an opportunity to respond to such a proposal at a regular membership meeting or a special meeting called for that purpose. The Cooperative shall provide members with the wording of proposed changes by publishing them in the Cooperative newsletter or mailing them to each membership at least 14 days, but no more than 30 days, before this meeting. The wording of proposed changes shall also be included on or with the ballot.