

**Keweenaw Cooperative, Inc.**  
**Uniform Conditions of Membership**  
As authorized by the Bylaws and prescribed by the Board  
Adopted 2022 04 05  
Amended: 2022 09 15  
*PLEASE RETAIN FOR YOUR RECORDS*

**Uniform Conditions of Membership**  
**Membership Class: Natural Persons**

*Note: Because the word “person” legally includes corporations, we have to use the term “Natural Persons” here to specify that this Membership class/policy applies only to living human beings.*

In accordance with **Bylaws Sections 3.1(a), 3.3(c), and 3.9(b)**, which require that Members meet all conditions and eligibility requirements set forth in the **“Uniform Conditions of Membership”** established by the Board, such conditions are hereby established for Memberships held by natural persons and shall uniformly apply to all such Memberships.

Should any conditions and requirements specified below be determined to violate the most current version of the Bylaws, especially Article III — Members, the Bylaws shall prevail and said items below shall be null and void.

**1) Membership Agreement**

The Board shall establish and maintain a Membership Agreement that is required for all Members, including both parties of Joint Memberships.

**2) Membership Eligibility**

In addition to meeting all eligibility requirements listed in the Bylaws, including those detailed further below, the following criteria shall also apply:

- a) A natural person Member must be an adult age 18 or over
- b) A natural person may not be a holder of more than one Membership in the Keweenaw Co-op, individually or jointly

**3) Options for Holding Membership**

Contingent upon acceptance by the Board in all cases, a Member shall hold their Membership and all forms of capital in their Capital Account, including their Initial Owner Investment, in one of the following two ways:

- a) Individually, when held by one natural person, or
- b) Jointly, when held as Joint Tenants with Rights of Survivorship by any two natural persons.

These two forms of Membership are authorized by, and in accordance with, the **Bylaws Section 3.2**.

**4) Joint Tenancy — designation, removal, death, involuntary termination, Membership rights, and official Member communications**

- Any holder of an Individual Membership may request to add one joint tenant, who also must meet all conditions of Membership. Board acceptance of the joint tenant shall also result in joint ownership of the associated Member Capital Account.
- When a tenant of a joint membership dies or voluntarily relinquishes tenancy, the membership shall be deemed Individual and the remaining tenant shall solely own the associated Capital Account.
- If either or both tenants of a jointly held Membership is found in violation of these Uniform Conditions or any items enumerated in **Section 3.9 of the Bylaws** (e.g. fraud), the jointly held Membership may be involuntarily terminated by the Board with disposition of Member Capital to follow the Board’s Policy for Member Capital Accumulation, Redemption, and Forfeiture. If only one tenant is found to be in violation, the other joint tenant may reapply for individual Membership.
- 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.
- Jointly held Memberships are permitted only one Membership vote and only one of two Joint Members may run, be elected, or serve on the Board of Directors *at the same time*.
- All official Member communications for jointly held memberships will be issued by means of the primary email and/or physical address of record.

**5) Beneficiaries — Designation and Ascendance**

For both Individual and Joint Memberships, the holder(s) shall be able to name beneficiaries, including other Co-op members, to facilitate easy transfer of member capital after death. When a beneficiary transfer vests, that person or persons may choose one of the following two options: either (1) Accept the conditions of membership by executing their own individual or joint Membership Agreement and apply for Board acceptance into Membership, or (2) Decline to apply for Membership and request redemption of the associated Member Capital Account under the Co-op’s policy for Member Capital Accumulation, Redemption, and Forfeiture.

**6) Transfer of Membership vs. Member Capital**

Co-op *Membership* is contingent upon acceptance by the Board and thus is not transferable without Board approval of the recipient as a Member and execution of a new Membership Agreement. In such cases, the associated Member Capital Account will transfer with the Membership. Transfer of a *Member Capital Account* after termination of Membership is contingent upon acceptance by the Board and may be transferred to Non-Members as designated by the holder.

**7) Transfer of Member Capital Upon Death of Member**

The Co-op will not transfer Member Capital after the death of the holder by any other means than jointly held rights of survivorship, a beneficiary designation, signed execution of a legal probate exception, or a probate court order for estate settlement.

**8) Membership Standing — Good or Suspended**

- In Good Standing: When holders of Memberships maintain all eligibility requirements as defined in these Uniform Conditions and the Bylaws, their Memberships shall be deemed “In Good Standing” with access to all rights and benefits of Membership.

- Suspended: Memberships shall be deemed “suspended” whose holders fail to maintain all eligibility requirements, including prospective Members who default on a payment plan for their Initial Owner Investment, Fully Vested Members who fail to uphold the minimum level of patronage, or those suspended for other reasons enumerated in the Bylaws. Suspension begins on the date of violation. All rights and benefits of membership will likewise be suspended until the Membership is returned to Good Standing.

**9) Initial Owner Investment — Payment Thereof**

- Fully Vested Membership: When the Initial Owner Investment is paid in full, either immediately or upon the completion of a Payment Plan, the Membership shall be deemed “Fully Vested” and eligible for issuance of the Membership Certificate.
- Payment Plan Provisional Membership: The Initial Owner Investment required for Membership may be made via a payment plan established by Co-op Management in accordance with the financial conditions and administrative capacity of the Co-op and within any relevant parameters defined by the Board. Holders of Memberships under payment plans shall be eligible for all membership rights and benefits but Membership is deemed provisional until the Membership Certificate is issued upon completion of the payment plan. Members with a payment plan in default for three months or more shall be served a Suspension Notice by Management and provided options for reinstatement.

**10) Minimum Level of Patronage to Maintain Membership in Good Standing**

As per **Bylaw Section 3.1(d)**, Members “must patronize the Cooperative by conducting the minimum level of business established by the Board.” The minimum Level of Patronage for Individual and Joint memberships is hereby defined as a Membership that has been exercised at least one time in the past three years, as evidenced by authorized and legitimate use of the Owner Number for purchasing goods or services from the Co-op, voting, or other activities or communications pursuant to continuing active membership. Members who have not exercised their Membership in any such way in the past three years shall be served a Suspension Notice by Management after three or more months of being in default and provided options for reinstatement of Good Standing.

**11) Maintenance of Valid Contact Information**

All official communications, including voting and meeting notices, patronage dividends, and other official acts regarding Membership, shall be made care of the most current primary contact information on record. As per **Bylaws Section 3.9(c)**, Members are solely responsible for providing updated contact information. Inability to make contact with Member(s) may result in termination of Membership and/or forfeiture of Member Capital.

**12) Membership Benefits**

Individual and Joint Memberships are for the benefit of the holders of the membership and their households and dependent family members. Further definitions and terms of authorized use of memberships may be found in the Membership Agreement. Membership Benefits shall be established by Co-op Management in accordance with the financial conditions of the Co-op and within any relevant parameters defined by the Board in this policy.

### **13) Membership Certificate**

The Co-op will issue Member Certificates for all memberships with initial owner investments paid in full. Member Certificates will be issued electronically unless Members decline electronic communications for official Member communications. A Membership and its associated Capital Account will be identified by a unique Owner Number, which will continue with the Capital Account even after a Membership terminates until all owner capital is redeemed.

### **14) Membership Voting**

Membership votes shall be conducted in accordance with the Co-op's Bylaws and the Board's Policy for Director Nominations and Elections, including one vote per Membership.

### **15) Service on Board of Directors**

Member nomination, election, and/or service on the Board of Directors shall be in accordance with the Co-op's Bylaws and the Board's Policy for Director Nominations and Elections. A Joint Membership is limited in all such participation to only one holder at the same time.

### **16) Termination of Membership — Voluntary**

- Members may voluntarily terminate Membership at any time in writing, on such form as provided by Management.
- Redemption of Member Capital shall be subject to the Board's Policy for Member Capital Accumulation, Redemption, and Forfeiture.
- The Board will not terminate Membership or redeem capital for jointly held membership unless requested by both tenants. However, either joint tenant may voluntarily relinquish to the other tenant all claims to membership and the associated Member Capital Account. If joint tenants wish to establish their own separate membership in the Co-op and neither party will voluntarily terminate membership, they must terminate their joint membership entirely, request capital redemption in accordance with the Policy for Member Capital Accumulation, Redemption, and Forfeiture, and enter into their own new individual Membership Agreements, each with a new Owner Number.

### **17) Termination of Membership — Involuntary**

- Suspension Prior to Involuntary Termination: When a Membership holder no longer meets all of the Membership requirements of the Bylaws, the terms and conditions of the current Membership Agreement approved by the Board, and these Uniform Conditions, the Board may suspend the Membership and Management shall notify the holder as to the reason for suspension and the necessary action for reinstatement. Holders of suspended membership may voluntarily terminate their Membership and request redemptions of their Member Capital under the terms of the Board's Policy for Member Capital Accumulation, Redemptions, and Forfeiture.
- Involuntary Termination: When a Membership holder fails to address the need to reinstate a suspended membership in the period of time specified in their most recent suspension notice, the Board may eventually terminate Suspended Memberships in accordance with **Bylaws Section 3.9**. Redemption of Member Capital for an Involuntarily Terminated Membership shall follow the Board's Policy for Member Capital Accumulation, Redemption, and Forfeiture.

### **18) Administration of Memberships**

Co-op Management shall be responsible for monitoring all Uniform Conditions of Membership, executing and enforcing Membership Agreements, and maintaining all related procedures and records in accordance with this policy, such that acceptance to Membership and most other board actions relevant to membership can be completed via the Board's consent agenda. The following items under this policy will qualify for Board Action via their Consent Agenda

- Acceptance to Membership — New
- Acceptance to Membership — Joint Tenant
- Acceptance to Membership — Ascendant Beneficiary
- Voluntary Termination of Membership
- Voluntary Relinquishment of Joint Tenancy

Involuntary Terminations and/or Suspensions of Membership for other reasons specified in this policy or the Bylaws shall take effect only by special Board action and in accordance with the Bylaws and this policy. Redemption of Member Capital for Terminated Memberships of all kinds is governed by the Board's policy for Member Capital Accumulation, Redemption, and Forfeiture.