

OFFERING CIRCULAR

BOWDON COMMUNITY COOPERATIVE

Up to One Thousand Two Hundred Fifty (1,250) Shares of Preferred Stock at \$50 per Share

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE IN NATURE. INVESTMENT IN THE COOPERATIVE INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND EXEMPTIONS UNDER STATE LAW. HOWEVER, NEITHER THE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION.

	Price to Purchaser	Commissions (1)	Proceeds to Cooperative (2)
Per Share	\$50	\$0.00	\$50
Total	\$50	\$0.00	\$62,500

(1) The Cooperative will offer and sell the Common Stock itself and will not pay any discounts or commissions. Certain of the Cooperative's officers will be responsible for completing offers and sales of the Shares.

- (2) The proceeds to the Cooperative are before deducting unpaid offering expenses owed by the Cooperative.

Note: The Cooperative will also sell shares of Common Stock (i.e., the voting membership stock) to those purchasers of Preferred Stock who have not previously purchased such Common Stock. The price of the Common Stock is \$10.

The Cooperative will make available to each potential subscriber the opportunity to ask questions of and receive answers from persons authorized to act on behalf of the Cooperative concerning this Offering and to obtain any additional information, to the extent the Cooperative possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in this Offering Circular. Potential members who desire any additional information or documents to verify or supplement the information contained in this Offering Circular should call the Cooperative at 701- 962-3807 or 701-962-3708.

The date of this Offering Circular is August 10, 2008.

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I. BOWDON COMMUNITY COOPERATIVE

The Cooperative was organized on June 12, 2008, under the laws of the State of North Dakota. The Cooperative's Articles of Association are attached hereto as Exhibit A.

The Cooperative was organized for the purpose of involving the local community in purchasing and operating the Bowdon Locker and Grocery. The prior owner-operator of the business passed away in May, 2008, prompting community leaders to attempt to keep the business in operation. In June, 2008, the Cooperative held community meetings to determine the level of support for the concept of a cooperatively owned grocery store and locker plant. The Cooperative received Membership Fees from 120 Members (\$10 per member), or an aggregate of \$1,200.

II. SECURITIES OFFERED AND PLAN OF DISTRIBUTION

The Cooperative is offering up to One Thousand Two Hundred Fifty (1,250) shares of its Preferred Stock at a purchase price of \$50 per share. To become a voting member of the Cooperative, you must acquire a share of the Cooperative's Common Stock at a price of \$10.00. Each member of the Cooperative will be entitled to one vote, based upon ownership of the share of Common Stock. Currently, no market exists for the Common Stock or Preferred Stock, which may be transferred only with the consent of the Cooperative's Board of Directors.

This Offering of Preferred Stock will be made to current members. However, non-members may purchase the Preferred Stock and may also purchase a share of Common Stock (as required to become a voting member).

The Cooperative intends to offer and sell the Preferred Stock without the assistance of any underwriter or agent. Instead, certain of the Cooperative's officers and directors will be responsible for completing the offer and sale of the Stock. Such officers will not receive any commission or compensation for such activities. The Offering will terminate on August 27, 2008, unless that date is extended by the Cooperative's Board of Directors for a period of up to thirty (30) additional days (the "Expiration Date").

Subscribers must return to the Cooperative's offices an executed copy of the Subscription Agreement. The Cooperative will consider any subscription and payment to have been received by 5 p.m. on August 27, 2008, if it is either delivered prior to that time to the Cooperative or enclosed in an envelope postmarked on or before August 27, 2008.

The Offering is being completed in reliance upon an exemption from federal securities registration for intrastate offerings and in reliance upon exemptions from registration under the laws of North Dakota. The Offering is limited to residents of North Dakota.

III. CURRENT OPERATIONS OF THE GROCERY STORE UNDER LEASE ARRANGEMENT

The Cooperative has entered into a lease agreement whereby it is currently operating the grocery store. It commenced its management of the grocery store under the lease on July 1, 2008. Moreover, as part of this transaction, the Cooperative purchased the inventory from the owner for the amount of \$14,129.52. The Cooperative secured a line of credit in the amount of \$20,000 from Bank Forward, Carrington, North Dakota, for this purpose. The current amount drawn on the line of credit is \$14,130. Since the Cooperative has been operating the grocery store, sales have been less than expected (approximately \$423.00 per day in July on average and \$517 per day in August on average). As stated elsewhere herein, the Cooperative estimates its break even sales point for the grocery operations to be approximately \$600 per day.

IV. MINIMUM OFFERING; ESCROW

The Cooperative will deposit all proceeds of this Offering into an escrow account with Bank Forward, Carrington, North Dakota. The Board of Directors reserves the discretion to withdraw the escrowed proceeds at such time as the Cooperative has secured capital necessary to finance the acquisition and commence operations. This may involve securing additional debt, renewing the existing debt, securing grant funds/donations, and utilizing the proceeds of this Offering. The Cooperative currently believes that it needs approximately \$60,000 of total capital (exclusive of a prior grant of \$10,000 from Otter Tail Power Company) to go forward with closing on the transaction and commencing operations. However, there may be subsequent events that result in the capital requirements being lower or perhaps higher. The Board of Directors will make the decision as to whether the escrowed proceeds along with other sources of capital are sufficient to go forward with the project and, based on this decision, the Board will be authorized to withdraw the proceeds from the escrow account. If the escrowed proceeds are not released to the Cooperative, your subscription proceeds will be returned to you without interest (it is expected that the refund would occur in early September, 2008, subject to the Board's right to extend the Offering's expiration date by up to 30 days, which would then result in the escrow period likewise being extended).

V. RISK FACTORS

The Cooperative does not anticipate operating the grocery store at a material profit, which would enable the Cooperative to make any financial return to the owners of Preferred Stock.

The Cooperative desires to operate the grocery store in a manner that provides quality products at a reasonable price. It does not anticipate making a material profit; indeed, its goal is to break even and to accumulate some reserves for repairs and to sustain operations during periods of non-profitability. Therefore, the Cooperative does not anticipate making any payment of dividends to its members. Moreover, there is no expectation for the redemption of the Preferred Stock purchased by you. Accordingly, you should treat your investment as a contribution for the betterment of the community and your primary benefit will be your opportunity to purchase grocery products at a local store. Moreover, the maintenance of the store is deemed to be important to the community in that other stores and

facilities may likewise succumb to closure if the grocery store is unable to continue its operations. In sum, your entire investment is at risk, and you should not anticipate any financial return for your investment.

Profitability will be driven by Sales Volume, Profit Margins, and Overhead. For the most part, whether the Cooperative achieves profitability will be dependant on sales, profit margin and overhead expenses. The Cooperative anticipates that it will need approximately \$600 of sales per day in order to break even, assuming normal gross profit margins. There can be no assurances that it will achieve this level of sales.

Local Patronization is Critical to the Cooperative.

The Cooperative is critically dependant on the level of patronage of the local residents. If the local residents determine to patronize the grocery store rather than purchasing grocery products from out of area retail stores, the Cooperate obviously will be much more likely to succeed in its operations. There can be no assurances as to the loyalty of the local residents to patronize the Cooperative's grocery store.

The Cooperative does not currently have resources to improve the Locker Plant.

At this point in time, the Cooperative does not have a definitive plan respecting the locker plant. Preliminary estimates of the required capital improvements for the locker plant are approximately \$300,000 (as required for the locker plant to be fully licensed and functional). The Cooperative intends to continue to explore the means to raise the funds necessary to make these capital improvements. It is possible that the operations of a fully functioning locker plant will enhance the Company's profitability. However, there can be no assurances of this, or that the financing for the improvements can even be secured. Moreover, it is possible that the capital structure associated with the locker plant improvements will involve a new class of stock issued to investors who commit to patronize the Cooperative; profits associated with the locker plant may be directly passed through to those investors as patronage dividends since they would have provided the capital for the locker plant.

Employment Resources are Limited.

The Cooperative currently has retained one full-time employee to manage the store. The Cooperative may not be able to afford the full-time services of such employee in the future. In such event, it may need to solicit volunteer service from community members. Moreover, it may be difficult to retain a full-time employee due to the limited salary and benefits that the Cooperative can afford to provide.

Grocery Store Risks.

The Cooperative is subject to all the other risks associated with operating a retail grocery store including product defects, inventory losses, catastrophic property losses, and other unforeseen events. Insurance coverage will be maintained to reduce the above-mentioned insurable risks.

VI. USES OF PROCEEDS

The following sets forth the projected uses of the Offering proceeds and other sources of capital (i.e., loans and grants):

Payment of Debt:	\$14,000
Payment to Seller:	\$30,000
Working Capital:	\$5,000
New Inventory:	\$6,000
Improvements/Equipment:	\$8,500
Maintenance/Repair:	\$2,500
Wild Game Processing Prep:	<u>\$2,500</u>
Total	\$72,500

VII. DESCRIPTION OF BUSINESS

Set forth below is a reiteration of the Company's Business Plan.

The Business Plan assumes that the Cooperative's will replace or make improvements to the locker plant in the approximate amount of \$300,000, and will commence operation of it. There can be no assurances that it will be able to raise the capital for this purpose. The Cooperative has included the operations of the locker plant in its financial projections, which results in additional profitability for the Cooperative.

There can be no assurances that the financial projections will be realized. The financial projections are based on numerous assumptions which may or may not prove to be accurate.

EXECUTIVE -SUMMARY

The Bowdon Locker and Grocery (BLG) has been and will continue to be an integral part of the communities of Bowdon, Chaseley, and Heaton. The unexpected death of the most recent owner triggered an outpouring of support for a community-based cooperative to step forward and purchase the business, not only just to keep it going for the community, but also to develop a broader based entity to capitalize on the trend to local foods and the desire to economize on travel for groceries. With this in mind, the goal of the Bowdon Locker and Grocery and its parent owner, the Bowdon Community Cooperative (BCC), is to provide the community with healthy, locally-produced meat and food products, dry goods, and other staples at competitive prices in a profitable manner; increase annual sales, and an expand the

existing customer base. As a community driven business, BLG is also a community supported business.

The only full service grocery for almost 70 miles east to west, the grocery store currently has historically experienced sales of \$3,000 per week with a primary market of a twenty mile radius. Current inventory includes all the basic staples, and local beef and bison are in stock. Market expansion is anticipated with the addition of local produce, more locally grown meat, natural and organic bulk foods and other products that are requested by consumers. The goods will be priced for fair profit.

Market research has shown that people increasingly want to shop closer to home as an economy measure. More importantly, customers want to know where their food comes from and how it was raised. By emphasizing locally grown foods that are raised as naturally as possible as an important part of its inventory, BLG will be in the forefront of the local foods trend and will be able to expand its customer base. Local customers will have more options and will spend more of their food dollars at home. Additionally, regional consumers who have no other means of securing these foods will be drawn to BLG.

To reach this customer base, an aggressive marketing plan is in place. Extensive research is ongoing and will be used to inform inventory makeup and daily operations, as well to guide long-term planning. Local media, direct mailings, promotional events, and other methods are focused on keeping the public informed, involved, and in the store purchasing goods. Finally, the oversight, the day-to-day management, and the operations of BLG are in the hands of an enthusiastic, hard-working interim board that has retained the services and expertise of a wide variety of consultants and mentors. Most importantly, the Interim Board has hired a qualified and capable manager (Veeva'ne Stoen) for the store. Ms. Stoen has a wide variety of experience in numerous business and administrative positions.

GENERAL COMPANY DESCRIPTION

Bowdon Locker and Grocery has been a vital, profitable community business for decades, first as a stand-alone locker plant, and then as a combined enterprise.: The Bowdon Community Cooperative (BCC) was formed in June 2008, receiving Certification of Incorporation from the State of North Dakota. The Cooperative was formed in response to the sudden, unexpected death of the previous owner and the desire of the members of the community to ensure the continuation of the business.

The cooperative model was chosen to provide community members with a stake in their future and that of a business that is very important in their lives. BCC currently has 116 voting members, with an eight member Interim Board overseeing and coordinating the financial and business planning and execution; as well as the overall management of the Bowdon Locker and Grocery. The Coop's philosophy and that of Bowdon Locker and Grocery is that it is very important that the community has access to good, healthy, local food, and that local producers have a market for their product.

The major goal for Bowdon Locker and Grocery is to provide the community with healthy, locally-produced meat and food products, dry goods, and other staples at competitive prices in a profitable manner. We aspire to increased annual sales and an expanded customer base that includes local community members and consumers that are seeking good food close to

home.

The food industry is extremely stable—people have to eat—but it is also a changing industry. Consumers are increasingly interested in the origin of the food they buy and eat and prefer food that they can be sure is produced with minimal chemicals and potential for food-borne illness. In addition, higher fuel prices are contributing both to higher food prices, as well as making it less inviting to drive many extra miles to purchase groceries. By planning to stock and market locally produced, natural foods and to expand the store inventory to include natural and bulk foods, Bowdon Locker and Grocery is poised to take advantage of the new trends of the food industry while continuing to supply our customers with their basic food staples.

BCC was formed by the will of the people of the community and, therefore, can rely on the support of the community. The Interim Board drew almost twice the required number of volunteers to form the board, which draws from across the spectrum of the community. Most fortunately, the board was able to hire as manager of the store Veea' ne Stoen.

PRODUCTS AND SERVICES

The locker plant historically has processed beef, hogs, bison, and wild game from live animal to finished wholesale and retail product; Bowdon hamburger is well-known throughout the state and ranchers from across the region have their animals processed here. The grocery store's recent history evidences sales of approximately \$3,000 per week of groceries and dry goods, marketing primarily within a twenty mile radius. Since the store is the only full service grocery store from McClusky to Carrington, a distance of almost 70 miles, market expansion is anticipated. Current inventory, which includes all the basic staples, will be expanded with the addition of local produce; locally grown, hormone-free beef, pork, and bison; natural and organic bulk foods; vegetarian oriented foods; some hardware; and other products that surveys will show are wanted by customers.

Bowdon Locker and Grocery has established links with local farmers and ranchers to market their beef, pork, and bison; the high quality of the locally grown, hormone-free meat, as well as the good reputation it has garnered far and wide, gives "Bowdon meat" a competitive advantage over many other retail markets. In addition, Dwight Duke of Hensler, a well-known truck farmer who produces local, natural vegetables on a season extended by three months, provides produce as local growers initiate their operations for the future.

Current suppliers are local ranchers, Henry's Foods, Russ-Davis Produce, Earth Grains, Frito-Lay, Pizza Corner, Cass-Clay, Pepsi, and Coca-Cola.

Pricing of meat, dry goods, produce, and other inventory pricing is based on a combination of cost plus required profit margin and comparison to competitors' prices. Overhead costs, including utilities, insurance, and employee costs are factored into pricing, and information from the National Coop Grocers Assn, provides guidance.

MARKET POTENTIAL AND INDUSTRY COMPETITION

1. Market Size and Growth

- a. Target Market—The Bowdon Locker and Grocery will target the 450 plus people in the 58418 and 58423 Zip Codes. Included in that demographic are farmers and ranchers, small business owners, people employed in a variety of service and production occupations, young families, retired people, senior citizens, visitors, tourists, and hunters.
- b. Market Trends— The cost of gas and the distance from Bowdon to the next full service grocery store (17 miles) will make people "shop at home" rather than incur the extra expense of travel and time. In addition, by planning to stock and market locally produced, natural foods and to expand the store inventory to include natural and bulk foods, Bowdon Locker and Grocery is poised to take advantage of the new trends of the food industry of food provenance and fresh, healthy foods. Of course, the basic staples of everyday use will always be available.

A disadvantage we face is that while the current and potential market for the grocery store is large in area, a static population means that sales growth will depend on the ability to provide products that are competitive in price and variety with stores in the larger communities within driving distance. Not only will the grocery store need to keep existing customers, but it will also need to attract more of their consumer dollars.

2. Competition

- a. There is no local competition.
- b. The community has many residents who work outside of the community; others attend school activities and have medical contacts in other towns. Therefore, the convenience of shopping where they work or go to school often causes local residents to shop out of town at:
 - i. Jerry's Jack and Jill in Fessenden
 - ii. Ron's Super Value in Carrington
 - iii. Hinrichs' Super Value in Harvey
 - iv. Warehouse Grocery in Harvey
- c. Many local people prefer organic and/or bulk foods, so they order outside the community from:
 - i. Azure Standard
 - ii. Allison's Pantry
- d. Efforts will be made to provide opportunities for these people to spend their food dollars at the Bowdon Locker and Grocery. In addition, by providing locally-grown natural foods and products that currently can only be found on-line or in metropolitan areas, the market will expand to new customers.

MARKETING PLAN

An aggressive marketing plan will pull Bowdon Locker and Grocery's products off the shelves and out of the coolers and freezers at fair and profitable prices.

The marketing goal of Bowdon Locker and Grocery is to increase the number of community members who shop at the store and to increase the amount of dollars spent at the store by existing customers.

1. Market Research

- a. Market research began when local customers in 219 households were asked for their input about desired goods and services in the first mailing informing them that Bowdon Locker and Grocery will continue to operate with no interruption.
- b. A mid-July 2008 mailing to the same demographic contained a formal survey with post-paid return of customers' opinions. Both mailings included a question(s) relating to the consumers' probability of shopping at Bowdon Locker and Grocery.
- c. A suggestion box is in place for ongoing communication with our customers.
- d. Visits were made to three community owned and/or operated grocery stores within the state.
- e. We received mentoring by a fourth locally owned coop grocery store.
- f. We utilized on-line access to the National Coop Grocers Association and the USDA websites; review of trade magazines.
- g. Interviews were conducted with former owners and employees of the business.

2. Advertising/Media Campaign

The initial marketing will consist of:

- a. direct mailings to all households in the 58418 and 58423 ZIP codes
- b. advertisements in local newspapers and on local radio stations and local access television.
- c. regular promotions on the community blog site www.bowdon.communityblogs.us and postings on the community website www.bowdonnd.com to disseminate information about Bowdon Locker and Grocery around the world.
- d. press releases, wider distribution of advertisements, and aggressive efforts for feature placement in coop and ag magazines will follow.

3. Advertising/Marketing Budget

- a. Integrated into operating expenses
- b. Used in the most cost-effective manner possible

As previously stated, the strongest trend in the food industry is the growth in demand for local foods. This growth in this area is outpacing organic food production and sales throughout the United States, with the movement now making its way to North Dakota. Conferences, newspaper and magazine articles, and television spots have recently been devoted to the emergence of the local foods movement in the state.

Locally, a significant percentage of local consumers orders organic fruits, vegetables, and dry goods via the internet or informal group sales. With the rise in fuel prices and, consequently, food and freight surcharges for small orders, local people have been seeking ways to purchase natural, healthy foods at reasonable prices. The entry of the Bowdon Locker and Grocery into this market as well as into the local foods market leads the trend in the state.

None of the grocery stores within a 50 mile radius is currently leading in the local foods marketing area; Bowdon Locker and Grocery will thus be able to draw from a wider than local market. In addition, the community's location in the center of the state gives the advantage of cutting distance to market for the supplier and the consumer.

Primarily, distribution will be via retail sales within the store; however, with the addition of the planned new meat processing facility projected for Phase Two, we will market locally grown meat and produce to restaurants, organizations, and other grocery stores.

OPERATIONAL PLAN

1. Location

- a Bowdon Locker and Grocery is located at 139 Warrington Avenue (considered the "Main Street" of Bowdon)

2. Facility

- b We will be purchasing the building from Ruth Reberg.
- c The size of the grocery store is 2300 square feet.
- d The size of the current locker, including slaughter areas, is 4536 square feet.
- e The current locker facility will require extensive renovation or replacement to meet state or federal meat inspection standards.

3. Equipment, Furniture and Fixtures

Assets as listed in the Purchase Agreement

- a Grocery: Samsung Till, Service Counter, Produce Display Case, Dairy Display Case, Meat Display Case, Scale, Two Chest Freezers, One Chest Display Freezer, Walk-in Milk and Produce Cooler, Shelving
- b Locker: Hobart Band Saw, Hollymatic Grinder/Mixer, EZ-Pack Stuffer with two heads, Hobart ' Tenderizer, Komet Vacuum Sealer, Hobart Slicer, NCI Printer Scale Electric Knife Sharpener, Walk-in Freezer and Compressor, Splitting Saw, 444 Well Saw, Kock Smokehouse and Accessories, Stainless Steel Wrapping Table, Stainless Steel Boning Table, Stainless Steel Curing Table, Two Stainless Steel Utility Tables, Slaughter House, Drip Cooler, Hanging Cooler, Box Cooler

Additional equipment purchased/needed

- a Grocery: Stand-alone Merchandise Freezers, Possible Upgrade of the. Meat, Dairy and Produce Coolers, Front Door

- b Locker: To Be Determined
- 4. Suppliers/Inventory
 - a We purchased the July 1 inventory of \$14,000 and will add inventory as funds allow to a \$20,000--\$30,000 level.
 - b Our current major supplier is Henry's Foods, Inc. of Alexandria, MN
- 5. Employees
 - a A total of 1.2 full time equivalent employees (FTE) will be working at the grocery store.
 - i. Manager: One full-time salaried employee. The salary is \$24,000 per year/\$2,000 per month with no benefits. One week's paid vacation will be granted after a year of satisfactory service. The Interim Manager is Veea' ne Stoen. She has extensive experience in retail management. (cf. Appendix for Resume')
 - ii. One part-time (.2) fill-in clerk at \$8.00 per hour
 - b Volunteers will assist in unpacking orders and stocking shelves on an as-needed basis.
- 6. General Operations
 - a The hours of operation will be determined by the manager and the Board. Current hours of operation are 8:30 a.m. to 5:30 p.m. Monday through Friday and 8:30 am. to 2:00 p.m. Saturday. The business is closed on Sunday.
 - b The July survey will reveal the need and/or desire for expanded hours.

MANAGEMENT AND ORGANIZATION

1. Management
 - a. The Interim Board of the Bowdon Community Cooperative has hired Veea' ne Stoen as manager of the Bowdon Locker and Grocery.
2. The Interim Board of Directors of Bowdon Community Cooperative consists of Wayne Fuhrman, independent hospital administration consultant; Gary Heintz, farmer and land surveyor; Allen Hoff, Mayor of Bowdon and employee of the Fessenden Coop Elevator; Pam Hoff, Bowdon Postmaster; Laurel Jones, retired educator and current businesswoman; Cory Kunz, bison rancher; Bob Martin, farmer and rancher; and Patti Patrie, owner of Patrie's Raspberries on the Prairie and farm wife.
3. Laurel Jones is the chair of the Grocery Store Advisory Committee. Serving along with Laurel are Londa Neumiller, Cindy Hoff, and Dorothy Heintz.
4. The attorney who has been retained by the board is Steven E. Noack, Attorney at Law, Vogel Law Firm, 218 NP Ave, PO Box 1389, Fargo, ND 58107-1389, 701-356-6380.
5. An accounting service will be utilized for auditing and consultation.
6. Insurance coverage for the business comes from United Fire and Casualty Company through Bank Forward. The agent is Jim Schmitz.

7. The bank account for Bowdon Locker and Grocery is held by Bank Forward, with Rory Timm the major contact.
8. Throughout the process of forming the cooperative and preparing to purchase the Bowdon Locker and Grocery, we have utilized the talents and skills of a number of consultants. They include:

NAME	AFFILIATION	PHONE
Pat Downs	NDAREC	701-356-1049
Don Frye	Otter Tail Power Company	701-320-0373
Rob Maddock	NDSU Meat Department	701-231-8975
Brad Lodge	Lodge Consulting, Inc.	319-278-4998
Bill Patrie	North Country Development Fund	701-663-3886
Bill Davis	Community Development Program	701-530-2042
Andrea Grondahl, DVM	ND Department of Agriculture	701-328-4762
Deb Kantrud	South Central Dakota Regional Council	701-953-8060
Jim Lees	Small Business Development Center	701-953-8060

VIII. COOPERATIVE MANAGEMENT

Board of Directors

The individuals comprising the Interim Board of Directors and officers are as follows:

Cory Kunz —	President
Gary Heintz —	Vice-President
Laurel Jones —	Secretary
Pamela Hoff —	Treasurer
Wayne Fuhrman	
Allen Hoff	
Robert Martin	
Patricia Patrie	

Bylaws to be adopted at the First Annual Meeting

The Interim Board of Directors will develop Bylaws to be presented to the Members for approval at the First Annual Meeting. The Cooperative’s Interim Board of Directors prefers that the Members have input in this process, rather than presenting a template without the prior input of

the Members. All Members will have the opportunity to participate in this process as they deem desirable.

Annual Meetings; Election of Directors

The Bylaws of the Cooperative will require an Annual Meeting of members. Each member shall have one (1) vote on each matter submitted for a vote of the membership.

IX. DESCRIPTION OF CAPITAL STOCK

Authorized and Outstanding Stock

The Cooperative is authorized to issue:

1. Five Hundred (500) shares of Common Stock with a par value of Ten (\$10.00) Dollars per share; and,
2. Twenty Thousand (20,000) shares of Preferred Stock with a par value of Fifty (\$50.00) Dollars per share.

As of the date of this Offering Circular, the Cooperative has 120 shares of Common Stock outstanding and no outstanding shares of Preferred Stock.

Payments to Members; No Anticipated Patronage Dividends

Due to the estimated limited profitability of the grocery, the Cooperative does not anticipate that it will pay Patronage Dividends or dividends on capital stock in connection with the capital provided for the grocery store acquisition. Having said that, the financial structure relating to the locker plant may be different, and may in fact involve the payment of the Patronage Dividends to the investors who provided the capital for the improvements.

Distribution of Assets Upon Dissolution

The Cooperative's Articles of Association establish the following order and priority for distribution of the Cooperative's assets to stockholders upon dissolution, after payment of the costs of dissolution and debts: First, the par value or issuance price, whichever is greater, of the outstanding Preferred Stock; Second, the par value or issuance price, whichever is greater, of the outstanding Common Stock; Third, all patronage and other equity credits; and Fourth, any remaining assets shall be distributed among the members based on their patronage credits, or if no patronage credits exist, equally among all Members.