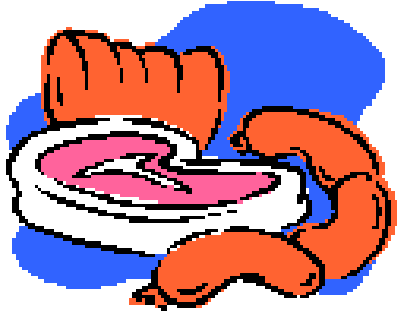




Strengthening Our Stores, Strengthening Our Communities The Fourth National Rural Grocery Summit



Rural Food the Co-op Way Option
Laurel Jones



and

Patricia Patrie, in abstensia

Bowdon Community Cooperative,
Bowdon, North Dakota

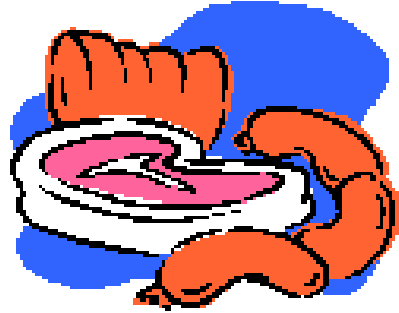


Welcome

Bowdon Community Cooperative Bowdon Community Grocery

Located in Bowdon ND
A Community Owned Community



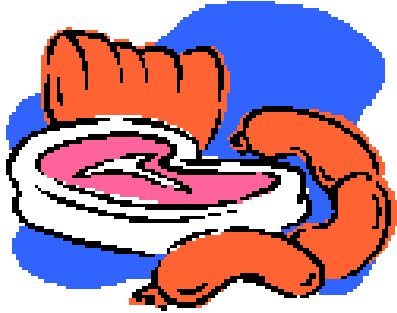


Bowdon Community
Cooperative's
Reason for Existing

*To sustain a
vibrant
community now
and in the future.*



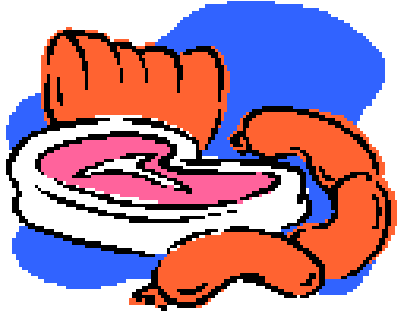
Some background



- Bowdon as it was
 - Population
 - Businesses
 - Churches and Organizations
- What happened?
 - The 50's
 - The 70's
 - The 90's



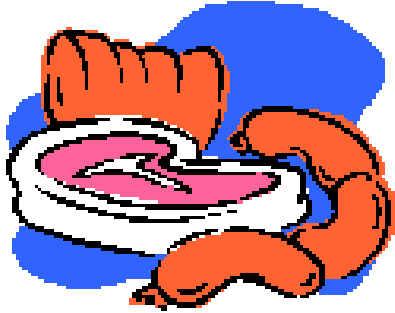
Response



- Strategic Plan
- Bowdon Development Center
 - Who?
 - What?
 - School complex
 - RV Park
 - Small Grants
- Horizons Rural Leadership
 - James J. Hill Foundation

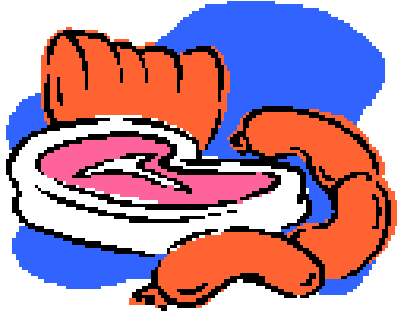
Crisis

- Bowdon Locker and Grocery
 - Locker the key
- Grocery Store Concerns
 - Customer Base
 - Inventory
 - Freezers!
- Community Response
 - Let's have a benefit





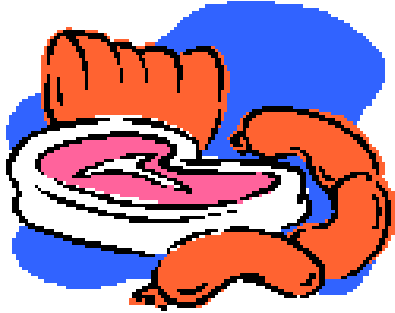
The Beginning



Bowdon 7th Day Adventist Church



Fundraiser for Bowdon Locker & Grocery



The Worst

- Tim's unexpected death
- Change of benefit focus



Bowdon will hold a benefit Thursday to help its town grocery store and the family of the store owner, who collapsed and died Wednesday. (LAUREN DONOVAN/Tribune)

Grocer's death shocks town

Bowdon to continue with planned benefit meal

By LAUREN DONOVAN
Bismarck Tribune

"I stood there and said, 'Do you know how important this store is and how much it's appreciated?'"

Laurel Jones, member of the Bowdon development board

Tim Reberg died before his community could help him.

The tiny town of Bowdon will help his family and go ahead with a benefit supper to pay for new freezers and cooling compressors for the Bowdon Locker & Grocery.

The spaghetti meal will be held at 5 p.m. Thursday at the Bowdon Community Center.

It had been planned for weeks.

The store, owned by Tim and Ruth Reberg for several years, holds the small town of 140 people together and it was appreciated. When it

corporate shadow and this is not like Bismarck, for example, holding a benefit for Wal-Mart.

This is personal. Tim and Ruth Reberg were engaged in the same struggle of keeping this one rural town alive, where so much else, like the school, like the elevator, has already gone away.

Then, just Wednesday, Tim Reberg, 48, got up in the morning to take a shower and get ready for his day. Instead, unbelievably, he dropped unconscious to floor. He was pronounced dead at the Carrington hospital. His funeral is Tuesday.

See Grocer, 11A



LAUREN DONOVAN/Tribune

JoAnne Suckut, checks grocers for Olga Fuhrman at the Bowdon grocery on Friday. Volunteers stepped in to help both in the store and the meat locker while the family deals with the sudden death of owner Tim Reberg.

Grocer: Store sold fresh, quality food

FROM 1A

Laurel Jones, who's on the Bowdon development board, said the town is devastated by his death and determined to do all it can to help Ruth Reberg and the couple's young daughters, Dawn and Faith.

The Rebergs' store means people don't have to travel 17 miles to the other nearest store in Fessenden. Some people are too old to drive and what they would do for food is a looming concern.

Jones said the Rebergs' store produced a quality of specialty meats, hamburger so lean it took some butter in the pan, and other cuts that had a far-and-wide reputation.

She said the couple ran the grocery with the aim of providing fresh, quality food, like spinach, avocados and ricotta cheese, if they could get such foods in small enough quantities to sell.

"I can't imagine life without Tim," Jones said.

She said Tim Reberg was hesitant to accept financial help and initially wasn't thrilled with the idea of the benefit.

To persuade him, "I stood there and said, 'Do you know how important this store is and how much it's appreciated?'" Jones recalled.

Now, the town will get through the funeral and then the benefit and see what the future holds for the Reberg family, the Bowdon Locker & Grocery and the community.

Anyone who wants to contribute and can't attend the supper can send a donation to Bowdon Development Center Inc., P.O. Box 314, Bowdon, N.D., 58418.

(Reach reporter Lauren Donovan at 888-303-5511 or lauren@westtrib.com.)



The Decision



- Keep it going?
 - Look for a buyer?
 - Step in?
- Well then, let's just buy the whole shebang





Development Process: What We Did

Feasibility work

– NDaREC's

Articles of Incorporation

Membership Drive

Business Plan

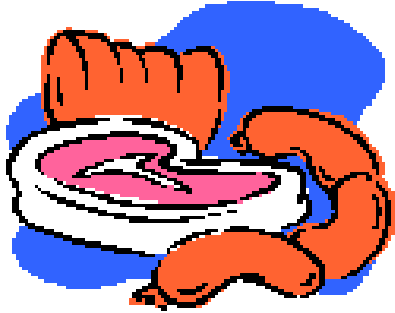
Operations Plan

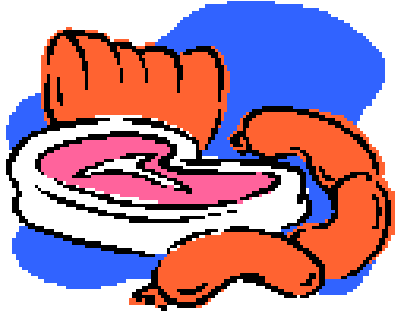
Equity Drive – Funding

By-Laws

Management

Annual meeting





ARTICLES OF ASSOCIATION OF BOWDON COMMUNITY COOPERATIVE

ARTICLE I NAME AND REGISTERED AGENT

Section 1. Name. The name of this Cooperative shall be Bowdon Community Cooperative.

Section 2. Registered Agent. The name and address of the Registered Agent shall be as follows:

Robert Martin
223 Grey Ave E.
Bowdon, ND 58418

ARTICLE II PURPOSES

This Cooperative is organized for the purposes of:

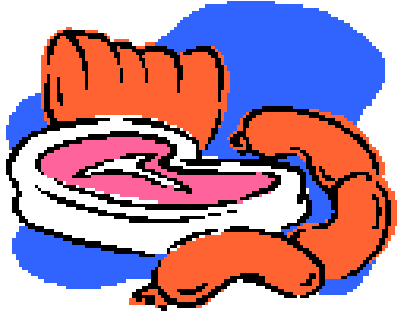
- (a) Owning business enterprises for the betterment of the Bowdon, North Dakota community; and
- (b) For any activity within the purposes for which cooperatives may be organized and all such activities shall be deemed within its purposes.

ARTICLE III CAPITAL STOCK

Section 1. Authorized Capital Stock. This Cooperative is organized with capital stock. The authorized capital stock of this Cooperative shall consist of five hundred (500) shares of Common Stock with a par value of Ten and 00/100 Dollars (\$10.00) per share; and twenty thousand (20,000) shares of Preferred Stock with a par value of Fifty and 00/100 Dollars (\$50.00) per share.

This Cooperative may also establish and maintain such other types of equity credits as may be provided in the Bylaws.

Section 2. Common Stock. Each member of the Cooperative is required to own one (1) share of Common Stock. Shares of such stock may be held only by such persons who have met the requirements for membership provided for in the Bylaws and who are accepted for membership by the Board of Directors. Each member shall be entitled to only one (1) vote upon



BOWDON COMMUNITY COOPERATIVE A North Dakota Cooperative Association

APPLICATION FOR MEMBERSHIP

_____(the "Applicant") hereby applies for membership in Bowdon Community Cooperative (the "Cooperative").

Representations by Applicant

In making application for membership in the Cooperative, Applicant hereby declares and represents to the Cooperative that:

1. Applicant has the authority to execute this Application for Membership.
2. The Cooperative has drafted Articles of Incorporation, but has not filed them until it has had the opportunity to determine the interest level of local supporters. Therefore, your Application for Membership will not be accepted until the Cooperative has formally been incorporated with the North Dakota Secretary of State. The articles will be made available to any member of the Cooperative.
3. The Cooperative's initial Board of Directors will develop draft Bylaws and submit them to the Members for approval at the first annual meeting of members (projected to be held within the next six months depending on whether the Cooperative proceeds with its business plan).
4. Applicant has had an opportunity to discuss with the Cooperative the proposed business purposes of the Cooperative, to ask questions and obtain answers to Applicant's satisfaction. There can be no assurances that the proposed acquisition of the local grocery store/meat locker plant will occur and there may be no reason to continue with the development of the Cooperative. If the grocery store/locker plant transaction does not materialize, the Cooperative may determine to utilize the cooperative entity for a different business opportunity involving community ownership and the Cooperative would then pursue the alternative business plan.
5. Your membership in the Cooperative does not obligate you to make additional capital contributions. In order for the Cooperative to implement any proposed business plan, it will likely need to raise

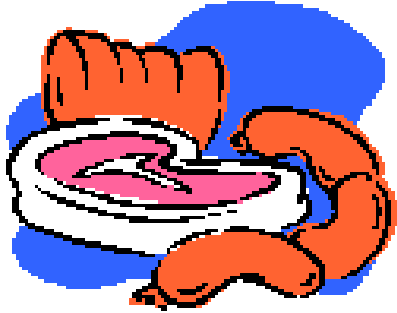
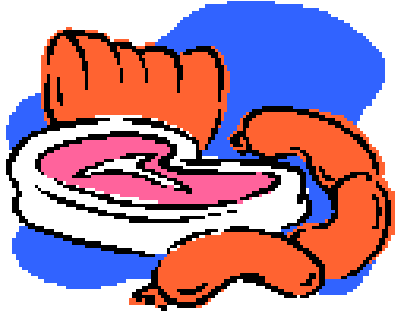


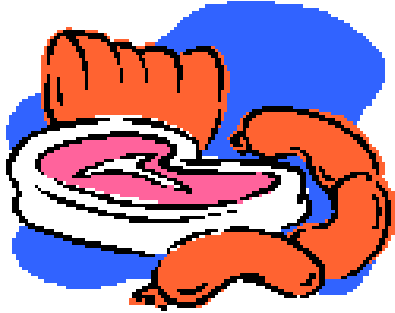
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Bowdon Community Cooperative	11
P.O. Box 57	
Bowdon, ND 58418	12
701-962-3807	
701-962-3633	
(bcc@daktel.com)	20



**Bowdon Locker & Grocery
Projected Balance Sheet
July 1, 2008 to June 30, 2011**

	Year <u>One</u>	Year Two	Year Three
Current Assets			
Cash	\$12,295	\$13,703	\$25,256
Accounts Receivable	\$0	\$0	\$0
Inventory	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$30,000</u>
Total Current assets	\$32,295	\$43,703	\$55,256
Fixed assets			
Buildings	\$25,000	\$265,000	\$265,000
Equipment	<u>\$16,600</u>	<u>\$65,000</u>	<u>\$65,000</u>
Total Fixed Assets	\$41,600	\$330,000	\$330,000
Less: Accumulated Depreciation	\$3,204	-\$21,323	\$39,442
Net Fixed Assets	<u>\$38,396</u>	<u>\$308,677</u>	<u>\$290,558</u>
Total assets	<u>\$70,691</u>	<u>\$352,380</u>	<u>\$345,814</u>
Current Liabilities			
Bank Line of Credit	\$0	\$32,926	\$0
Total Current Liabilities	\$0	\$32,926	\$0
Long term Liabilities	\$0	\$0	\$0
Total Liabilities	<u>\$0</u>	<u>\$32,926</u>	<u>\$0</u>
Equity			
Memberships	1160	1160	1160
Equity Drive	\$62,500	\$275,000	\$275,000
Otter Tail Grant	\$10,000	\$10,000	\$10,000
Other Grants	<u>\$0</u>	<u>\$50,000</u>	<u>\$50,000</u>
Total Equity	\$73,660	\$336,160	\$336,160
Retained Earnings	(\$2,969)	(\$16,706)	\$9,654
Total Liabilities & Equity	\$70,691	\$352,380	\$345,814
Bowdon Locker & Grocery Projected Cash Flow July 1, 2008 to June 30, 2011			

	Year <u>One</u>	Year Two	Year Three
Cash Provided From			
Operations	\$235	\$4,382	\$44,479
From Borrowing	\$0	\$32,926	\$0
Equity Drive	<u>\$73,660</u>	<u>\$262,500</u>	<u>\$0</u>
Total cash Provided	\$73,895	\$299,808	\$44,479
Cash Utilized for			
Inventory	\$20,000	\$10,000	\$0
Equipment	\$16,600	\$48,400	\$0
Debt repayment	\$0	\$0	\$32,926
Buildings	<u>\$25,000</u>	<u>\$240,000</u>	<u>\$0</u>
Total Cash Utilized	\$61,600	\$298,400	\$32,926
Cash Increase or (Decrease)	\$12,295	\$1,408	\$11,553



OFFERING CIRCULAR

BOWDON COMMUNITY COOPERATIVE

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

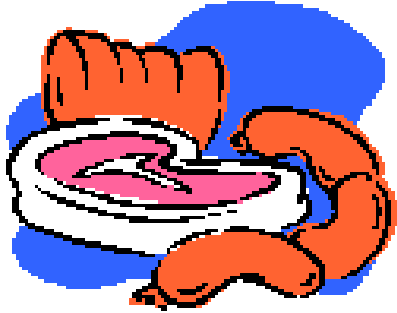
THE SECURITIES OFFERED HEREBY ARE SPECULATIVE IN NATURE. INVESTMENT IN THE COOPERATIVE INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN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



NAME AND ADDRESS: BOWDON COMMUNITY COOPERATIVE, INC. A North Dakota Cooperative Association

SUBSCRIPTION AGREEMENT

Name _____

The undersigned (the "Subscriber") hereby subscribes for that number of shares of preferred stock (the "Shares") in Bowdon Community Cooperative (the "Cooperative"), as set forth below.

Representations by Subscriber

The Subscriber hereby declares and represents to the Cooperative that:

Phone No. _____

1. Subscriber has the authority to execute this Subscription Agreement.

2. Subscriber acknowledges that the Cooperative's initial Board of Directors will develop draft Bylaws and submit them to the Members for approval at the first annual meeting of members (projected to be held within the next six months).

3. Subscriber has had the opportunity to review the Cooperative's Offering Circular, and has had an opportunity to discuss with the Cooperative the proposed business purposes of the Cooperative, to ask questions and obtain answers to Subscriber's satisfaction.

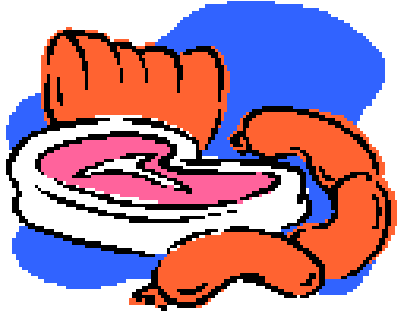
4. Subscriber understands that the Offering Circular discloses that it is unlikely that the grocery business will make sufficient profits to generate the payment of dividends or redemption of the Shares. Therefore, you should look at your investment as a social investment for the betterment of the community.

5. The long-term viability of the grocery store may be dependent on the Cooperative's ability to raise sufficient capital to make necessary improvements to the locker plant, and to then operate the locker plant in a profitable manner. There can be no assurances that the Cooperative will be successful in these endeavors.

6. I am a North Dakota resident. Subscriber only



Bowdon Community Cooperative Goals



Provide a viable grocery store
Sustain our farms and community
Serve the community: elderly, non-drivers



Become an outlet for local foods
Provide business & employment opportunities



Improve the quality of life for our people
Capitalize on the community's assets
Aid in fuel savings and leave a smaller carbon footprint



Community's Financial Responsibility



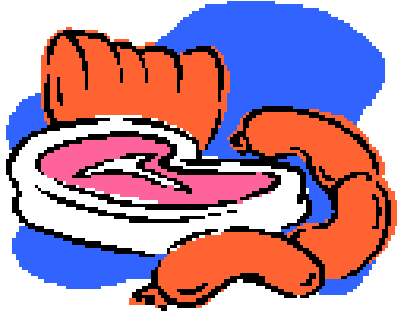
Total \$72,500

Minus the Otter Tail Power
Company Grant of \$10,000

\$62,500 in shares--**1250**
shares at \$50 each.



Results



The community met the equity goal

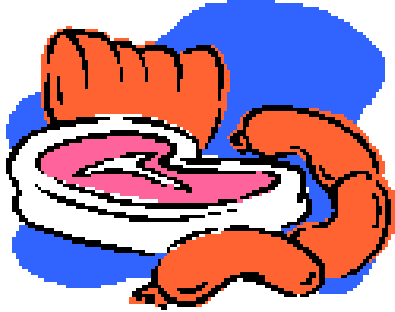
The buildings, equipment, and inventory are owned by Bowdon Community Cooperative

BLG has many loyal supportive customers

But...



Development Process: What We Maybe Should Have Done



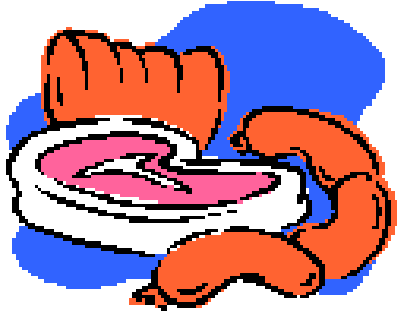
➤ Shake 'em up a bit
“Sorry, BLG is closed”



➤ Think bigger



Business Costs/Capital Funds

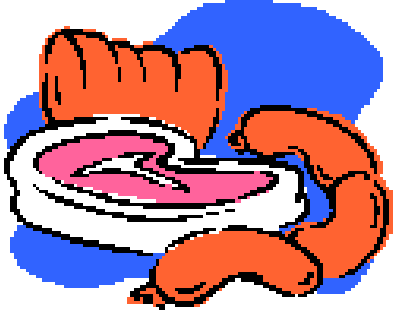


Buildings	\$30,000
Inventory-bank loan due November 1	\$14,000
New inventory	\$ 6,000
Working capital	\$ 5,000
Operating loss/reserve	\$ 4,000
Improvements/Equipment	\$ 8,500
Maintenance/Repair	\$ 2,500
<u>Game Processing Prep</u>	<u>\$ 2,500</u>
Total	\$72,500



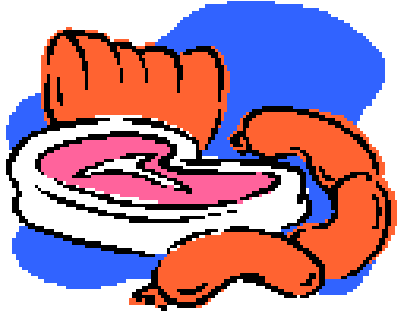
The Good...

- Hiring of exceptional, experienced manager
- Expansion of inventory
- Purchase of equipment—some of it new!
- Web presence
- Much work is done by volunteers
- But we still need the community to step in annually with a German Supper Fundraiser
- NDaREC and ND Commerce Dept initiating rural grocery dialog

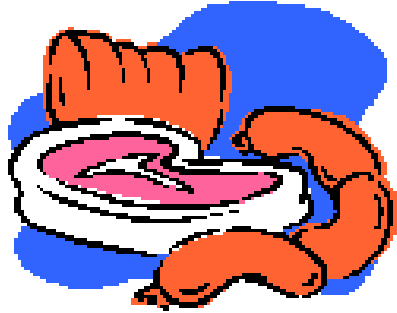




The Bad...



- High equipment and repair bills have eaten into profits
- Employee pool is small – permanent manager is getting close to retirement
- Board oversight/governance is in place, but more help is needed
- Much work is done by volunteers



And the Ugly?

- Moved on to the Bowdon Meat Processing Cooperative
- Three year process
- \$1 million project

afternoons. We make it work and our staff is very good."

purchase.

Plea to support new meat plant

GUEST COLUMN BY LAUREL JONES,
BOWDON DEVELOPMENT CENTER, INC.

Farmers and ranchers in North Dakota are in dire need of state-of-the-art facilities to process the excellent beef and hogs they produce so they can move their product from the pasture and the feed lot to the wholesale and retail market. The Farmers Union Industries Foundation through North Dakota Farmers Union has stepped forward to assist one local enterprise in building such a facility.

Bowdon Meat Processing, a cooperative venture located in central North Dakota, is seeking investors to rebuild the meat processing locker plant that has been part of the Bowdon business scene for over 60 years. Following a feasibility study that showed a very positive outcome in the building of a new state-of-the-art plant, the Farmers Union Industries Foundation through North Dakota Farmers Union, approved a grant of \$12,000 to the cooperative. The grant was used to match APUC funding for building design, legal assistance, and the development of a business plan and a stock offering. The equity drive for building the plant is currently underway.

Part of the ongoing situation is the number of older processing plants in the state that will soon have to be upgraded in order to meet standards or closed if the owners aren't willing to spend the money to upgrade. As older plants close, distances for farmers and

ranchers to haul their animals for processing increase, which in turn increases animal distress and mileage costs. In addition, existing plants are booked months in advance for slaughter dates, which ups the time and amount of feed needed to keep a critter.

The new plant in Bowdon will alleviate some of these problems for central North Dakota. The plant, which will be built at the projected cost of \$760,000, will employ a manager as well as two to five additional employees. It will be state inspected and, at full capacity, it could process as many as a thousand head per year.

New USDA rules allow meat processed under state inspection to be sold throughout the United States, making it feasible for those farmers and ranchers who wish to expand their market to do so easily.

The cooperative anticipates a dividend of up to 5% per year per share based on available annual operational cash flow. In addition, the available North Dakota tax credit of 30% of the preferred stock investment in one year will yield \$1,650 per share purchased. This credit can be carried forward for up to ten years. Combining those two factors, the total investment will be returned in 14 years, while the investor still holds a par value share.

Anyone interested in finding out more about this project may call Bob Martin at 701-650-1185 or Pat Downs at 701-371-9105.



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ND REC/RTC Directory

Little Bowdon believed it could

Related: The meat plant opens

Related: Take a look at how we grow

by Luann Dart

Patti Patrie's voice momentarily thickens with emotion as she talks about her small community's colossal success in keeping a local business viable. As the Bowdon Meat Processing cooperative re-opens the local meat processing facility in the community of 130 people, it seems to have the recipe for success – a reputation dating back to 1940, a forward-thinking young manager and a solid foundation of supporters like Patrie.

Video: A Purpose-Driven Community (produced by Clarice L. Kesler, NDAREC)

"Over time, you think, 'Did we do this because we did not want to die as a town or did we do it because we have a belief in rural North Dakota?' and it's more a belief in rural North Dakota, that we have a future," she says.

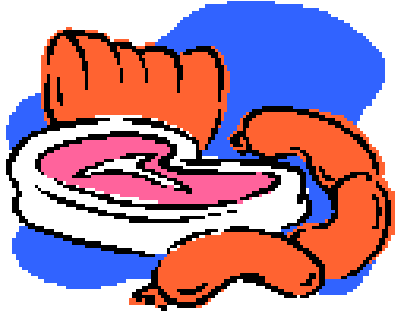
Community steps forward

The story began nearly six years ago when the previous owner of Bowdon Locker and Grocery, Tim Reberg, died in 2008, leaving his family unable to continue to operate the business.





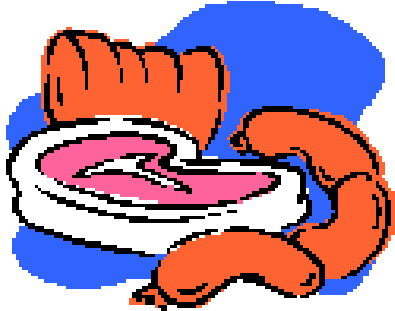
If You Do This...



- Find and ask for assistance
- Do your research
- Think big
- Plan, plan, plan
- Make it personal



Where to start: Kansas



http://kansasstatutes.lesterama.org/Chapter_17/Article_16/

Kansas Statutes

Browsable and searchable archive of 2009 Kansas Statutes Annotated (K.S.A.)

Chapter 17: Corporations

Article 16: Cooperative Marketing

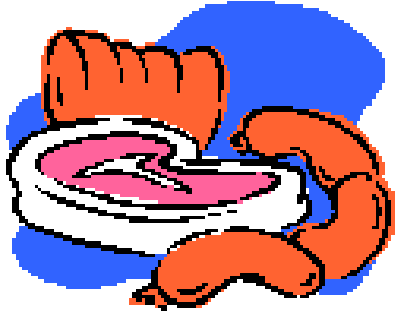
Statutes:

- [17-1601: Purpose of cooperative marketing act.](#)
- [17-1602: Definitions, nonprofit character of associations.](#)
- [17-1603: Incorporation of associations.](#)
- [17-1604: Purposes of association.](#)
- [17-1605: Powers of association.](#)
- [17-1606: Members or stockholders.](#)
- [17-1607: Articles of incorporation.](#)
- [17-1608: Amendment of charter.](#)
- [17-1609: Bylaws.](#)
- [17-1610: Meetings; notice.](#)
- [17-1611: Board of directors; election from districts; delegates to meetings; compensation of officers and directors; executive committee; vacancy in board of directors.](#)
- [17-1612: Officers; requirements; elections.](#)
- [17-1613: Certificate of membership; stock and stockholders.](#)
- [17-1614: Removal of director or officer.](#)



Where to start: Nebraska

<http://nebraskalegislature.gov/laws/statutes.php?statute=s2129003000>



http://nebraskalegislature.gov/laws/statutes.php?statute=s2129003000

NEBRASKA LEGISLATURE
The official site of the Nebraska Unicameral Legislature

Home
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Bills and Laws
Calendar
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FAQs
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Legislative Divisions
News
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Session Information
Transcripts
For Agencies
For Citizens
For Journalists
For Lobbyists
For Students and Teachers

Nebraska Revised Statute 21-2903

[Revised Statutes](#) » [Chapter 21](#) » 21-2903 [Print Friendly](#)

21-2903. Terms, defined.

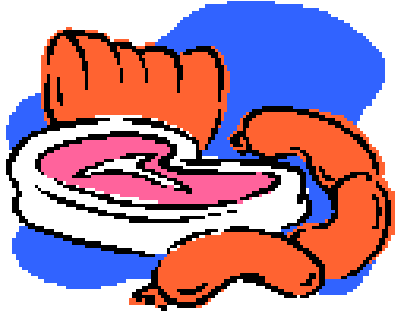
For purposes of the Nebraska Limited Cooperative Association Act, unless the context otherwise requires:

- (1) Articles of organization includes initial, amended, and restated articles of organization. In the case of a foreign limited cooperative association, the term includes all records that:
 - (a) Have a function similar to articles of organization; and
 - (b) Are required to be filed in the office of the Secretary of State or other official having custody of articles of organization in this state or the country under whose law it is organized;
- (2) Bylaws includes initial, amended, and restated bylaws;
- (3) Contribution means a benefit that a person provides to a limited cooperative association in order to become a member or in the person's capacity as a member;



Where to start: Colorado

http://www.sos.state.co.us/pubs/business/news/2012/20120402_ULCAA_Dean.html



Colorado Secretary of State Scott Gessler

The Colorado Uniform Limited Cooperative Association Act (ULCAA)

James B. Dean
Chair of Colorado ULCAA Drafting Committee
Reporter for NCCUSL ULCAA Drafting Committee

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The discussion that follows provides a brief outline of the background and provisions of Colorado's newly enacted Colorado Uniform Limited Cooperative Association Act. In appropriate situations, this Act can provide a very flexible type of entity through which its members can conduct operations for their mutual benefit.

General Background on ULCAA