



CENTRAL REGION COOPERATIVE

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Cobden

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Cosmos

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Hector

Sleepy Eye
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Stewart

April 13, 2018

Dear Valued Member,

We are excited to announce that the vote on the amendments to the articles of incorporation and bylaws of Central Region Cooperative passed by a majority vote. The vote was submitted to the membership on March 20, 2018 and tallied at a special meeting on April 12, 2018. Of eligible voters, 24.5% of members cast a vote. The merger was approved with 363 voting in favor, 125 in opposition. Central Region Cooperatives attorney, Jared Peterson, certified the members of Central Region Cooperative approved the amendments to the articles of incorporation and bylaws by a majority of 74%.

All customers who do business with Central Region Cooperative are patrons, and all patrons receive patronage. Members are patrons that have met criteria and can vote on cooperative matters. This concept has not changed. The Board of Directors had presented the Amendments to the Articles and Bylaws that are in the best interests of the cooperative and its members.

A summary of some of the amendments is as follows:

ARTICLES

- The trade territory description for CRC was expanded to reflect CRC's current business.
- Voting protections for members were implemented, including provisions prohibiting individual members from voting multiple times through organizations.
- The number of Directors was changed to be not less than five (5), which is the statutory minimum. The number of Directors will be set by the Board.

BYLAWS

- The amount of business to obtain membership in the cooperative was increased to \$10,000.00 dollars. This amount is achieved today by conducting input purchases and grain sales with CRC for approximately ten acres of crops.
- The Board of Directors shall establish an agenda prior to the annual meeting, and members may request that issues be addressed at the annual meeting.
- Members may participate in regular or special meetings by remote or electronic communications if approved by the Board of Directors.
- All Directors shall be elected at the annual meeting and shall hold office until their successors shall be elected and qualified.
- The Board of Directors may remove a Director under various circumstances, including the Director not following Board Policies.
- The Board of Directors may establish Director Districts or Regions for voting on Directors.
- The language for calculating patronage was simplified, and the Board retains discretion to set aside an amount up to the annual net savings from patronage into the capital reserve.
- Language was added continuing the Board's discretion to manage the equity of the cooperative and policies for the redemption of equity.

Thank you for engaging in this voting process and positioning your cooperative for long-term success in the future.

Sincerely,

Larry Dean, President
Jon Meyer, Vice President
Steve Lax, Secretary/Treasurer
Dave Berle, Director
Jason Boll, Director

Brian Broderius, Director
Bruce Froehlich, Director
Tim Kohn, Director
Bruce Kuelbs, Director
Ron Wendinger, Director