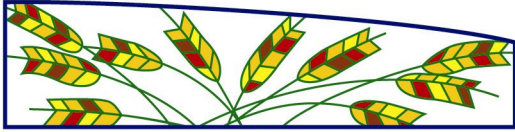


EASTSIDE FOOD CO-OP



2551 CENTRAL AVE NE, MPLS • OPEN DAILY 8-9
612-788-0950 • www.eastsidefood.coop

ARTICLES OF INCORPORATION OF EASTSIDE FOOD COOPERATIVE

Amended April 17, 2014

ARTICLE I. (NAME)

The name of this association shall be Eastside Food Cooperative.

ARTICLE II. (PURPOSES)

The purpose of the association shall be to engage, on a cooperative basis, in a mercantile and marketing business to supply and furnish to its members and patrons such goods and services as the members may require and to otherwise engage in any lawful activity connected with or related to its purposes.

For these purposes it shall have the power to:

- (a) Borrow money from its member-owners and others upon adequate security; to issue bonds, debentures, notes and other obligations and to secure the same by pledge, mortgage or trust deed on any property of the association; draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, warehouse receipts, certificates and other obligations and negotiable or transferable instruments for any purpose deemed necessary to further the objects for which the association is formed.
- (b) Acquire, purchase, hold, lease, mortgage, encumber, sell, exchange and convey such real estate, buildings and personal property as the business of the association shall require.
- (c) Purchase, acquire, sell, transfer and own capital stock, bonds, and obligations of other corporations; and to purchase, acquire, and hold capital stock, notes, bonds, and other obligations of such organizations.
- (d) Join with other cooperative corporations or associations to form district, state, national or international purchasing, marketing and service organizations; and to purchase, acquire, and hold capital stock, notes, bonds, and other obligations of such organizations.
- (e) Do and perform every act and thing necessary and proper to the conduct of its business for the accomplishment of the purposes set forth herein or permitted by the laws of Minnesota applicable to the association, and to have and exercise all of the powers conferred upon the association by the laws of Minnesota under which it was organized, and acts amendatory thereof and supplemental thereto.

ARTICLE III. (PLACE OF BUSINESS)

The principal place of business of said association shall be 2551 Central Avenue N. E., Minneapolis, Minnesota 55418. Branch offices may be located at other locations.

ARTICLE IV. (DURATION)

The period of the continuance of this association shall be perpetual.

ARTICLE V. (CAPITAL)

Section 1. The amount of the authorized capital stock of the association shall be Four Million Dollars (\$4,000,000), and shall be divided into One Hundred Fifty Thousand (150,000) shares of Class A stock

of the par value of Five Dollars (\$5.00) each, and One Hundred Fifty Thousand (150,000) shares of Class B stock of the par value of Five Dollars (\$5.00) each, and Four Thousand (4,000) shares of Class C stock of the par value of Five Hundred Dollars (\$500.00) each, and Five Thousand (5,000) shares of Class D stock of the par value of One Hundred Dollars (\$100.00) each.

Section 2. Class A stock may be issued for cash to a patron to qualify him or her as a member-owner if he or she is eligible therefore. Only Class A stockholders shall be deemed to be member-owners of this association. Class A stockholders shall have voting power, and each holder of Class A stock shall be entitled to only one vote regardless of the number of shares owned. Voting by proxy shall not be permitted. No dividends shall be paid on the outstanding Class A stock of the association.

Section 3. Nonvoting Class B stock may be issued in payment of patronage refunds or in exchange for outstanding Class A stock to any person, firm, or corporation not eligible to be a member-owner of this association. Class B stock shall have no voting power and no dividends shall be paid thereon.

Section 4. Class C stock may be issued to holders of Class A stock. The Board of Directors shall have the authority to issue Class C stock in multiple series. The Board shall establish the number of shares offered, rate of dividend, redemption terms, and such additional terms and conditions as the Board deems appropriate at the time of issuance for each series of Class C stock. Class C stock shall have no voting power. Dividends may be paid on Class C stock at the discretion of the Board of Directors, not to exceed eight percent (8%) per annum. Dividends, if declared, shall not be cumulative.

Section 5. Class D stock may be issued to holders of Class A stock. The Board of Directors shall have the authority to issue Class D stock in multiple series. The Board shall establish the number of shares offered, rate of dividend, redemption terms, and such additional terms and conditions as the Board deems appropriate at the time of issuance for each series of Class D stock. Class D stock shall have no voting power. Dividends may be paid on Class D stock at the discretion of the Board of Directors, not to exceed eight percent (8%) per annum. Dividends, if declared, shall not be cumulative.

Section 6. No share of stock shall be issued for less than its par value, nor until the same has been paid for in cash or its equivalent, and shall be paid at such time and in such manner as the directors of the association shall request. The association shall have a prior lien, with the usual right of ordinary liens for enforcement, upon all outstanding stock for any indebtedness due it, and no stock shall be sold or transferred except back to the association with the consent and approval of the Board of Directors. Capital stock shall be subject to redemption as provided by law, in the manner as the Bylaws prescribe. The capital stock of this association shall be nonassessable.

Section 7. When the Board of Directors determines that the association has sufficient working capital and assets, Class B, and Class C, and Class D stock, or any series from any of these classes of stock, may be called for payment at par. Stock shall be called for payment as provided in the bylaws.

Section 8. In case of dissolution or liquidation of the association, there shall be given a preference to holders of Class C, then Class D, then Class A and finally Class B stock.

ARTICLE VI. (ALLOCATIONS TO MEMBERS)

Section 1. All or any part of the patronage refund declared by the association at any time may be paid in Class B stock, by allocated equity reserve or by the issuance of capital interest certificates, or by any other media determined by the Board of Directors.

Section 2. All of the annual net savings from patronage by members available for distribution as determined by the bylaws shall belong to the members of the association and shall be allocated to them on the basis of patronage as defined in the bylaws.

Section 3. Upon dissolution or liquidation of the association the debts and liabilities of the association shall first be paid according to their respective priorities. Stockholders or other holders of equity or capital reserve credits or other media issued by the Board of Directors shall then be paid the par value of their shares or credits with payments made in the order of preference herein specified. Any additional property remaining after stockholders and other equity holders have been paid shall be distributed to another association doing business on a cooperative basis or a non-profit organization exempt from taxes under Section 501 of the Internal Revenue Code, as determined by the Board of Directors.

ARTICLE VII. (DIRECTORS, MEETINGS)

Section 1. The governance of this association and oversight of the management shall be vested in a Board of Directors, the members of which must be elected by ballot by the members from their own number. The size of the Board of Directors and the terms of its members shall be prescribed by the bylaws.

Section 2. The annual meeting of the members shall be held in the territory served by this association within four (4) months after the date of the close of the fiscal year, on such date and time as the Board of Directors shall select in each year.

Section 3. Vacancies in the Board of Directors, except in case of removal by the members, may be filled by the remaining members of the Board. The person or persons so appointed shall hold office until the next annual meeting of the members or until their successors have been elected and qualified.

Section 4. A director is not personally liable to the association or its members for monetary damages for breach of fiduciary duty except in the following circumstances: **(a)** for a breach of the director's duty of loyalty to the association or its members; **(b)** for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; **(c)** for a transaction from which the director derived an improper personal benefit; or **(d)** for an act or omission occurring prior to the date this provision became effective.

Section 5. The names and places of residence of the present Board of Directors are as follows:

{This information is available at the Eastside Food Co-op Business Offices}

ARTICLE VIII. (OFFICERS)

The officers of this association shall be president, one or more vice presidents, a secretary and a treasurer, who shall be elected annually by and from the directors. The offices of secretary and treasurer may be combined, and when so combined, the person filling such office shall fulfill the duties of both offices and shall be termed "Secretary-Treasurer."

ARTICLE IX. (DISSOLUTION, AMENDMENTS)

Section 1. This association may be dissolved in the manner as provided by law.

Section 2. These Articles of Incorporation may be amended as provided by law.