

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
COOK COUNTY WHOLE FOODS CO-OPERATIVE**

**ARTICLE I
NAME**

The name of the cooperative is Cook County Whole Foods Co-operative.

**ARTICLE II
PURPOSE**

The purpose of the cooperative shall be to engage in a marketing and mercantile business, and to supply and furnish its owners and patrons on a cooperative basis such goods and services as the owners may require or in any lawful business as the owners shall authorize.

The general nature of its business shall be to buy, sell, market, store, acquire, transport, distribute, and otherwise deal in and procure for its owners and patrons on a cooperative basis food, clothing, supplies, goods, wares and merchandise of all kinds, and to render such services as the owner and patrons may desire, and to engage in any activity connected with or related to any of such purposes. For those purposes it shall have power to:

- (a) Borrow money from its 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 cooperative; 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 cooperative is formed.
- (b) Acquire, purchase, hold, lease, encumber, sell, exchange and convey such real estate, buildings and personal property as the business of the cooperative may require.
- (c) Purchase, sell, transfer and own capital stock, bonds and obligations of other corporations.
- (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 or such organization.
- (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 laws of Minnesota applicable to the cooperative, and to have and exercise all of the powers conferred upon the cooperative 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 the cooperative shall be 20 East First Street, Grand Marais, Minnesota 55604-0813 in Cook County. Branch offices may be located at other points.

**ARTICLE IV
DURATION**

The period of the continuance of the cooperative shall be perpetual.

**ARTICLE V
CAPITAL STOCK**

Section 1. The amount of the authorized capital stock of the cooperative shall be Ten Million Two Hundred Thousand Dollars (\$10,200,000), and shall be divided into three classes of stock. Class A stock shall consist of One Hundred Thousand (100,000) shares of Class A Voting Common Stock of the par value of Twelve Dollars (\$12.00) each for a total of \$1,200,000; Six Million (6,000,000) shares of Class B Nonvoting Common Stock of the par value of One Dollar (\$1.00) each for a total of \$6,000,000; and Thirty Thousand (30,000) shares of Class C Nonvoting Stock of the par value of One Hundred Dollars (\$100.00) each, for a total of \$3,000,000.

Section 2. Class A Stock may be issued for cash to any person, firm, cooperative, nonprofit corporation or other corporation to qualify said person or organization as a stockholder and owner of the cooperative, under the direction of the Board of Directors. Only Class A stockholders shall have voting power and shall be deemed to be the owners of the cooperative. Each holder of Class A stock shall be entitled to one vote regardless of the number of shares owned, and voting by proxy shall not be permitted. No dividends shall be paid on the Class A stock.

Section 3. Class B stock may be sold for cash or issued in payment of patronage refunds or in exchange for outstanding Class A stock to owners. 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. 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 may be cumulative, at the discretion of the Board of Directors.

Section 5. No share 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 Board of Directors of the cooperative shall require. The cooperative 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 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 the cooperative shall be non-assessable.

Section 6. When the Board of Directors determines that the cooperative has sufficient working capital, Class B and Class C stock may be called for payment at par. Such stock may be called for payment as provided in the Bylaws of the cooperative; provided always, that at the time of calling Class B or Class C stock for payment the total amount of stock remaining outstanding after deduction of the amount called, plus the permanent surplus of the cooperative, shall at least equal the total liabilities of the cooperative.

ARTICLE VI ALLOCATION TO OWNERS

Section 1. All or any part of the patronage refund declared by the cooperative 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 margins (net income) from owner business, including overpayment made by the cooperative to other cooperative associations and repaid to the cooperative, available for distribution, shall belong to its owners on the basis of patronage with the cooperative and as provided in the Bylaws. The records of the cooperative shall always show the interest of owners in the allocated reserves and surplus of the cooperative.

Section 3. In the event of liquidation or dissolution of the cooperative, all debt and liabilities shall first be paid according to their respective priorities. Holders of stock shall then be paid the par value of their shares plus any declared unpaid dividends thereon in the order of priority, if any, specified in the Bylaws and the remainder of the property shall be distributed as provided in the Bylaws.

ARTICLE VII BOARD OF DIRECTORS

Section 1. The government of the cooperative and the management of its affairs shall be vested in a Board of Directors. The number of directors shall be fixed from time to time by the Bylaws of the cooperative. Directors shall be elected by ballot by the owners from their own number at the annual meeting for such terms as the Bylaws may prescribe.

Section 2. A director is not personally liable to the cooperative or its owners for monetary damages for breach of fiduciary duty except in the following circumstances: (a) for breach of the director's duty of loyalty to the cooperative or its owners; (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the 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 of these amended and restated Articles of Incorporation became effective.

ARTICLE VIII DISSOLUTION; AMENDMENTS

Section 1. The cooperative may be dissolved upon the affirmative vote of two-thirds of the owners.

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