



AMENDED ARTICLES OF INCORPORATION OF LINDEN HILLS CO-OP

Minneapolis, Minnesota
Effective January 26, 1999

ARTICLE I. (NAME)

The name of this association shall be Linden Hills Community Cooperative, Inc.

ARTICLE II. (PURPOSES)

The purpose of the association shall be to engage in a cooperative mercantile and marketing business to supply and furnish to its member-owners and patrons on cooperative basis such supplies, food, clothing, hardware, household and garden supplies, goods, wares, and merchandise as they may require. In order to accomplish this goal, the association shall buy, sell, market, store, warehouse, acquire, transport, distribute, process, produce and otherwise engage in any activity connected with or related to its purposes.

For these purposes it shall have 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.
- (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 2813 W. 43rd Street, Minneapolis, County of Hennepin, State of Minnesota, 55410. Branch offices may be located at other points.

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 One Million, Three Hundred Thousand Dollars (\$1,300,000), and shall be divided into 20,000 shares of Class A Stock of the par value of Twenty dollars (\$20.00) each, and 20,000 shares of Class B Stock of the par value of Twenty dollars (\$20.00) and 1,000 shares of Class C Stock of the par value of Five Hundred Dollars (\$500.00) 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. Class A stock may also be issued in payment of patronage refund. 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. 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. 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 may commence business whenever ten percent (10%) of the authorized capital stock has been subscribed and paid in. 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 6. When it is determined by the association that it has sufficient working capital, Class B stock may be called for payment at par. Such stock may be called for payment in chronological order with reference to date of issue, in which case all of such stock issued in a given fiscal year shall, as nearly as practical, be called at the same time; or such stock may be called on the basis of a percentage of all said stock outstanding, in which case the same percentage of said stock held by each holder shall be called at the same time, without regard to the date of issue; provided always, that at the time of calling Class B stock for payment the total amount of such Class B stock remaining outstanding after deduction of the amount called, plus the permanent surplus of the association, shall at least equal the total liabilities of the association exclusive of such Class B stock then outstanding. Class C stock shall be redeemable at par as provided by the Board of Directors.

Section 7. In case of dissolution or liquidation of the association, there shall be a preference for the holders of capital stock in the following order: a) Class C stock; b) Class A stock; c) Class B stock.

ARTICLE VI. (ALLOCATION TO PATRONS)

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 patrons' net overpayments (net income), including patronage refunds received by this association from other cooperative associations, available for distribution, shall belong to its patrons and shall be allocated to them on the basis of patronage and as provided in the Bylaws.

Section 3. In the event of liquidation or dissolution of the association, all debts and liabilities shall first be paid according to their respective priorities. Holders of capital stock shall then be paid the par value of their shares in the order of priority herein specified. Any remaining assets shall be contributed to an association doing business on a cooperative basis or a nonprofit corporation which is exempt from income taxes under Section 501 of the Internal Revenue Code as the Board of Directors or Trustees of the association shall determine.

ARTICLE VII. (DIRECTORS, ANNUAL MEETINGS)

Section 1. The government of this association and the management of its affairs shall be vested in a Board of Directors, the members of which shall be elected by ballot by the stockholders from their own number at the annual meeting. The size of the Board of Directors and the terms of its members shall be prescribed in the Bylaws.

Section 2. Vacancies in the Board of Directors, except in cases of removal by the stockholders, may be filled by the remaining members of the Board, the person or persons so appointed to hold office until the next regular or special members' meeting of the stockholders and until their successors have been elected and qualified.

Section 3. A director is not personally liable to the cooperative association or its members for monetary damages for breach of fiduciary duty except in the following circumstances: (1) for a breach of the director's duty of loyalty to the cooperative association or its members; (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (3) for a transaction from which the director derived an improper personal benefit; or (4) for an act or omission occurring prior to the date these amended articles of incorporation became effective.

[**Section 4.** The current Board of Directors consists of the following people...] [deleted for space considerations]

Section 5. The annual meeting of the stockholders shall be held in the territory served by this association on such date and time as the Board of Directors deems appropriate.

ARTICLE VIII. (OFFICERS)

The officers of this association shall be a 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 be termed "Secretary Treasurer."

ARTICLE IX. (DISSOLUTION, AMENDMENTS)

Section 1. This association may be dissolved in the manner as provided by Minn. Statute 308A.901-985 and any other applicable laws.

Section 2. These Articles of Incorporation may be amended as provided by Minn. Statute 308A.135 and any other applicable laws.