

FULLY RESTATED
ARTICLES OF INCORPORATION
OF
VALLEY COMMUNITY FOOD COOP, INCORPORATED
(d/b/a Valley Natural Foods)
BURNSVILLE, MINNESOTA

Preamble: The following document fully restates the provisions of the Articles of Incorporation of Valley Community Food Coop, Incorporated and contains those provisions of original articles and provisions modified by amendments approved by the members and filed with the Minnesota Secretary of State prior to October 30, 2017. This document is filed to correct a filing and copying error that occurred on or about October 23, 2007

**ARTICLE I
NAME**

The name of the cooperative shall be:

VALLEY COMMUNITY FOOD COOP, INCORPORATED.

**ARTICLE II
PURPOSE**

The purpose of the cooperative shall be to engage in a marketing and mercantile business, and to supply and furnish its members and patrons on a cooperative basis such supplies, commodities and property as they may require.

The general nature of its business shall be to buy, sell, market, store, acquire, transport, distribute, and otherwise deal in and procure for its member-owners and patrons on a cooperative basis and at the lowest net cost to them, food, clothing, supplies, goods, wares and merchandise of all kinds, and to render such services as the members 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 members 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 in the City of Burnsville, County of Dakota, and State of Minnesota. Branch offices may be located at other points.

ARTICLE IV DURATION

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

ARTICLE V CAPITAL

- Section 1. The amount of the authorized capital stock of the cooperative shall be ~~Eleven~~ Twenty Million Dollars (~~\$204~~,000,000), and shall be divided into ~~Two Hundred Forty~~ Three Hundred Twenty Thousand (~~240320~~,000) shares of Class A Voting Common Stock of the par value of Twenty-five Dollars (\$25.00) each; ~~One-Four~~ Hundred ~~Sixty~~ Thousand (~~160400~~,000) shares of Class B Nonvoting Common Stock of the par value of Twenty-five Dollars (\$25.00) each; and ~~Twenty~~en Thousand (~~240~~,000) shares of Class C Nonvoting Stock of the par value of One Hundred Dollars (\$100.00) each. In case of dissolution or liquidation of the cooperative, there shall be given a preference to holders of Class C stock. There shall be no preference given between the holders of Class A and Class B stock.
- Section 2. Class A Stock may be sold for cash or issued in payment of patronage refunds only to member-owners of the cooperative under the direction of the Board of Directors, and then only with the consent and approval of the Board of Directors. Only Class A stockholders shall have voting power and shall be deemed to be member-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 members and to any person, firm or corporation not eligible to be a member-owner of the cooperative. 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 directors of the cooperative shall order. The cooperative may commence business whenever ten percent (10%) of the authorized capital stock has been subscribed and paid in. 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 it is determined by the cooperative that it has sufficient working capital, Class B and Class C 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 practicable, be called at the same time; or such stock may be called on the basis of a percentage of all said stock 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 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 MEMBER-OWNERS

Section 1. All or any part of the patronage refund declared by the cooperative at any time may be paid in Class A or 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 member-owner business, including overpayment made by the cooperative to other cooperative associations and repaid to the cooperative, available for distribution, shall belong to its members 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 member-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, herein specified and the remainder of the property shall be paid and distributed among the members in accordance with their interest in the allocated reserves of the cooperative as shown by its records. The unallocated reserves will be paid to a nonprofit association or a cooperative association as determined by the Board of Directors.

ARTICLE VII DIRECTORS ANNUAL MEETINGS

Section 1. The government of the cooperative and the management of its affairs shall be vested in a Board of Directors of no less than five (5) nor more than nine (9) directors who shall be elected by ballot by the member-owners from their own number at the annual meeting for such terms as the Bylaws may prescribe.

Section 2. The annual meeting of the member-owners shall be held in the territory served by the cooperative 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 cases of removal by member-owners, 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 member-owners and until their successors have been elected and qualified.

Section 4. A director is not personally liable to the cooperative or its member-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 member-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 in the manner as provided by law.

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

CERTIFICATE OF ADOPTION

We certify that the foregoing Fully Restated Articles of Incorporation which are set forth above were approved by a majority of directors at a meeting held ~~October~~November XX30, 2018~~17~~, where a quorum was present. These Fully Restated Articles of Incorporation were previously submitted to the member-owners of the cooperative for approval, as required by law, and a quorum of member-owners of the cooperative voted on the amendments which were approved by a majority of those member-owners who voted.

We certify that by signing this certification we are subject to the penalties of perjury as set forth in section 609.48 of Minnesota Statutes as if we had signed this document under oath.

Michael C. Jensen, President Date

DeAnne Shea, Secretary Date