



ARTICLES OF INCORPORATION
of FAMINE FOODS CO-OP
(dba BLUFF COUNTRY CO-OP)

Revised by majority vote at General Membership Meeting in November 2014.

We the undersigned, acting for ourselves as individuals, do hereby associate for the purpose of organizing and incorporating a cooperative association under the provisions of Minnesota Statutes Section 308.05 through 308.18, as amended; and to that end we do hereby adopt and sign the following Articles of Incorporation.

ARTICLE I – NAME, PLACE OF BUSINESS AND PURPOSE

Section 1. The name of this association shall be Famine Foods Co-op, doing business as Bluff Country Co-op (Herein referred to as Co-op), and its principal place of business shall be Winona, Minnesota.

Section 2. The purpose of this association shall be to provide the community that it serves with high quality food, house-wares, hardware and other essentials of life, on a cooperative basis. This association shall strive to conduct its affairs in a manner that honors the human spirit through respectful and compassionate treatment of all individuals, and honors this planet's environment through learning and practicing cooperation.

ARTICLE II – DURATION

The duration of this association shall be perpetual.

ARTICLE III – CAPITAL STOCK

Section 1. The amount of capital stock of this association shall be Ten Thousand (10,000) shares of Class A Voting Stock, Two Hundred Forty Thousand (240,000) shares of Class B Non-voting Stock, and Two Million (2,000,000) shares of Class C Preferred Stock. Each share of each class The Class A Voting Stock and the Class B Non-voting Stock shall each have a par value of Five Dollars (\$5.00) per share. The Class C Preferred Stock shall have a par value of Five Dollars (\$5.00) per share.

Section 2. Class A Voting Stock. The voting stock shall be issued or transferred only to individuals and associations of individuals who patronize the association on a regular basis and who have been approved for membership by the board of directors and who otherwise meet the requirements for membership contained elsewhere in these Articles and Bylaws.

In the event the board of directors of this association determines that any voting common stock has come into the hands of any person who is not an eligible member, or that the holder thereof has ceased to patronize the association for a period of one year or has ceased to be an eligible

member, the association shall have the right to call and retire such stock at its par value as provided in the Bylaws. After the call, the holder of such stock shall have no rights or privileges on account of such stock, or vote or voice in the management of the affairs of the association, other than the right to participate in the distribution of assets of the association in accordance with the law on the case of dissolution. No dividends shall be paid on voting stock.

Section 3. Class B Non-voting Stock. Non-voting stock shall be issued to individuals and associations of individual members or non-members of this association. The holders of such stock shall have no rights or privileges on account of such stock, or vote or voice in the management of the affairs of the association, other than the right to participate in the distribution of assets of the association in accordance with the law in the case of dissolution. No dividends shall be paid on non-voting stock.

Section 4. Class C Preferred Stock. The Class C Preferred Stock may be issued to any person or association of persons who own Class A Stock and shall have no voting power. The rate of dividends, if any, shall be determined at the time of issue by the board of directors. Dividends shall not be in excess of eight percent (8%) per annum and shall not be cumulative. In the event of liquidation or dissolution of the association, the holders of these shares shall be paid the origin value and any current dividends on these shares before any payment is made to Class A or Class B stockholders.

Section 5. Voting. Only holders of Class A voting stock shall be entitled to vote and each holder of voting stock shall be entitled to only one vote regardless of the number of shares of such stock held by that person or association. Voting by proxy shall be prohibited.

Section 6. Transferability. No stock shall be transferred or sold except back to the association with the consent and approval of the board of directors. Stock shall be redeemed as provided in the Bylaws by the board of directors.

Section 7. Stock Redemption. 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 such stock issued in a 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.

ARTICLE IV – MANAGEMENT

Section 1. The control of policies of the association shall be in the board of directors.

Section 2. The government of this association shall be vested in a board of not less than five members, the exact number to be stated in the Bylaws. All members of the board of directors shall be duly elected or appointed representatives of members of the association. Members of the board of directors shall be elected at the annual meeting by members of the association, for such terms and in such manner as prescribed in the Bylaws.

Section 3. Vacancies in the board of directors may be filled by the members of the association according to procedures provided in the Bylaws.

Section 4. Liability. A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the cooperative, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been a director of the cooperative. A director may be liable to the cooperative association or its members for monetary damages for breach of fiduciary duty in the following circumstances:

- a. For a breach of the director's loyalty to the cooperative association of 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 the amended articles were adopted.

ARTICLE V – OFFICERS

The officers of this association shall be a president, vice-president, a secretary and a treasurer, who shall be elected in the manner as provided in the Bylaws. The offices of the secretary and treasurer may be combined, and when so combined shall be termed "secretary-treasurer".

ARTICLE VI – PATRONAGE DIVIDENDS

Section 1. All or any part of the patronage dividend declared by the association at any time may be paid in cash, Class B stock by allocating equity reserves, or other form in such combination and manner as determined by the Board of Directors.

Section 2. All of the annual net income from member patronage shall belong to its members and shall be allocated to them on the basis of patronage and as provided in the Bylaws.

ARTICLE VII – AMENDMENTS

Section 1. These articles of incorporation of this association can be amended as provided by law.

Section 2. The Bylaws of this association can be amended as provided by law. These amended and rewritten Articles of Incorporation of Famine Foods Co-op, Inc. were approved by the membership at the November 6, 2014 annual general membership meeting. This meeting was posted and called properly. A quorum was noted at this meeting and the amendments were discussed and approved.