ARTICLES OF INCORPORATION
OF
RIVERS COOPERATIVE MARKETS

ARTICLE I.
NAME AND PRINCIPAL PLACE OF BUSINESS

1.1 **Name**. The name of the organization shall be "Rivers Cooperative Markets" (the "Cooperative"). It is a cooperative organized under Minnesota Cooperative Law, Minnesota Statutes Chapter 308A.

1.2 **Principal Place of Business**. The principal place of business for the Cooperative shall be 622 Selby Avenue, Saint Paul, MN 55104. The Cooperative may have other offices in other localities.

1.3 **Registered Office**. The registered office address for the Cooperative shall be 622 Selby Avenue, Saint Paul, MN 55104.

ARTICLE II.
OWNERSHIP AND PURPOSE

2.1 **Ownership**. The Cooperative shall be owned by its owners and shall operate for the mutual benefit of its owners. Owners with voting rights shall be deemed to be owners for purposes of the Minnesota Cooperative Law.

2.2 **Purpose**. The purpose of the Cooperative shall be to engage on a cooperative basis, in a mercantile and marketing business to supply and furnish to its owners and eligible non-owner patrons such goods and services as the owners may require or in any lawful business as the owners shall authorize. For these 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, guaranteed warrants, warehouse receipts, certificates and other obligations and negotiable or transferable instruments for any purpose deemed necessary to further the objectives 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 from 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 cooperative associations, and to have 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 there-to.

ARTICLE III.
DURATION

The existence of the Cooperative shall be perpetual.

ARTICLE IV.
CAPITAL STOCK.

4.1 **Authorized Capital Stock**. The amount of authorized capital stock of the Cooperative is 9,012,000 and shall be divided into three classes of stock. Class A stock shall consist of 1,000,000 shares of voting stock with a par value of $6.00 per share. Class B Stock shall consist of 8,000,000 shares of non-voting stock with a par value of $6.00 per share. Class C Stock shall consist of 12,000 shares of non-voting stock with a par value of $500.00 per share.

4.2 **Class A Stock**. Class A stock may be issued for cash to any person, firm, cooperative, non-profit corporation, or corporation to qualify them as an owner if there are eligible for membership. Only one share of Class A stock shall be issued per owner. Only holders of Class A stock shall be deemed to be owners of the Cooperative. Class A stockholders shall be entitled to only one vote regardless of the number of shares owned of Class A or other classes of stock. Voting by proxy shall not be allowed. Voting on all matters on which owners are entitled to vote may be done by mail or electronic means as authorized by the board of directors (the "Board"). No dividends shall be paid on Class A stock.

4.3 **Class B Stock**. Class B stock may be issued for cash, in payment of patronage refunds or in exchange for outstanding Class A stock to any person, firm, cooperative, non-profit corporation or corporation. Class B stock shall have no voting power and no dividends shall be paid thereon.

4.4 **Class C Stock**. Class C stock may be issued only 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, not to exceed eight percent (8%) per annum. Dividends, if declared, may (but need not) be cumulative, as determined by the Board at the time the dividend is declared or in a resolution establishing a series of Class C stock. Any series of Class C stock may contain other terms and conditions set forth in a resolution of the Board establishing the series of Class C stock.

4.5 **Issuance; Transfer**. No share or stock shall be issued for less than its par value, nor until the same has been paid for in cash or its equivalent, and each share of stock shall be paid for at such time and in such manner as the Board of the Cooperative shall require; however, Class B stock issued as non-cash patronage refunds may be issued as partial shares in the amount of the non-cash patronage dividend. The Cooperative shall have a prior lien on the outstanding stock for any indebtedness due it. Stock shall not be sold or transferred except back to the

Cooperative with the consent and approval of the Board. Capital stock shall be subject to redemption as provided by law and by the Bylaws of the Cooperative. The capital stock of the Cooperative shall be non-assessable.

4.6 **Redemption**. When the Board 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 in 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 practicable, be called in at the same time; or such stock may be called on the basis of percentage of all of said stock outstanding, in which case the same percentage of said stock held by each owner shall be called in at the same time, without regard to the date of issue; or the Board may create separate revolving funds to redeem Class B and Class C stock as the Board deems proper. Any redemption of stock is subject to the requirement that at the time of redemption the total amount of stock remaining outstanding after deduction of the amount of stock redeemed, plus the permanent reserve of the Cooperative, shall at least equal the total liabilities of the Cooperative.

4.7 **Dissolution**. In case of dissolution or liquidation of the Cooperative, there shall be given a preference to holders of Class C, then Class B, and finally Class A stock.

ARTICLE V.
LIMITATION OF DIRECTOR LIABILITY

No director of the Cooperative shall be personally liable to the Cooperative or its owners for monetary damages for breach of fiduciary duty as a director, except for liability (a) for a 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 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 when the provisions of this Article V (or predecessor thereto) became effective.

It is the intention of the owners of the Cooperative to eliminate or limit the personal liability of the directors of the Cooperative to the greatest extent permitted under Minnesota law. If amendments to the Minnesota Statutes are passed after the effective date of this Article V which authorize cooperatives to act to further limit or eliminate the personal liability of directors, then the liability of the directors of the Cooperative shall be limited or eliminated to the greatest extent permitted by the Minnesota Statutes, as so amended. Any repeal or modification of this Article V by the owners of the Cooperative shall not adversely affect any right of or any protection available to a director of the Cooperative which is in existence at the time of such repeal or modification.

ARTICLE VI.
DISSOLUTION; AMENDMENT; SEVERABILITY

6.1 **Dissolution**. The Cooperative may be dissolved in the manner as provided by law and as more particularly provided in the Bylaws.

6.2 **Amendment**. These Articles of Incorporation may be amended as provided by law.

6.3 **Severability**. In the event that any provision of these Articles of Incorporation is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Articles.