

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

MANNA FOOD COOPERATIVE

**A COOPERATIVE ORGANIZED UNDER
MINNESOTA STATUTES, CHAPTER 308A**

ARTICLE I

NAME, PRINCIPAL PLACE OF BUSINESS, REGISTERED OFFICE AND AGENT

The name of this Cooperative is MANNA Food Cooperative (the “Cooperative”). The registered office address and principal place of business of this Cooperative is 105 Barbara Ave, Detroit Lakes, Minnesota 56501. The registered agent at that address is Edward L. Gehrke.

ARTICLE II

PURPOSES AND POWERS

Section 2.1 Purposes. This Cooperative is organized for the following purposes:

(a) To establish and operate cooperatively owned and managed not-for-profit facilities for the purchase, production and distribution of goods and services for the primary and mutual benefit of members of the Cooperative as ultimate consumers as well as for the benefit of patrons, through facilities that shall include, but not be limited to, a cooperative grocery store;

(b) To promote sound nutrition by providing wholesome foods to members and patrons, and by providing nutrition and health information to assist members and patrons in their food choices.

(c) To promote community development by encouraging small-scale ventures on the part of members which follow ecologically sound, healthful, energy-efficient and sustainable practices;

(d) To educate members and prospective members to the principles and methods of cooperative enterprise;

(e) To cooperate with other cooperative societies which have compatible goals; and

(f) For any other lawful purpose.

To this end, the business and activities of this Cooperative shall be conducted on a cooperative basis, as more particularly provided in these Articles of Incorporation (these “Articles”) and the Bylaws (the “Bylaws”) of this Cooperative.

Section 2.2 Powers. In addition to other powers, this Cooperative may perform every act and thing necessary, proper, incidental or convenient to the conduct of its cooperative activities or the accomplishment of its purposes. This Cooperative shall have all powers, privileges and rights conferred upon it by applicable law.

ARTICLE III DURATION

This Cooperative shall have perpetual existence.

ARTICLE IV MEMBERSHIP AND CAPITAL STOCK

Section 4.1 Authorized Capital Stock. This Cooperative is organized with capital stock. The authorized capital stock of this cooperative consists of 2,500 shares of Membership Common Stock, with a par value of One Cent (\$0.01) per share, and 2,500,000 shares of Preferred Stock, with a par value of One Cent (\$0.01) per share. The Board of Directors of this Cooperative has the authority and power to establish and issue one or more series of shares within a class, to set forth the designation of series of such shares, to fix the relative rights, preferences, privileges and limitations of each series of shares; and to establish and maintain such capital reserve, nonstock revolving capital, unit retains, and other types of equity credits as may be further provided in these Articles, the Bylaws and applicable law. The cost, rights and responsibilities of membership, as represented through the issuance of membership Common Stock shall be determined according to the By-laws and in conformity with these Articles of Incorporation.

Section 4.2 Membership and Common Stock.

(a) The Cooperative shall issue Membership Common Stock as evidence of membership in the Cooperative, upon payment of such purchase price for Membership Common Stock as may be determined by the Board of Directors. No person may hold more than one share of Membership Common Stock. No dividends shall be payable on Membership Common Stock. Only the owner of a share of Membership Common Stock issued as evidence of membership shall be entitled to vote. Shares of Membership Common Stock shall not be transferable in any manner or by any device whatever and cannot be pledged or used as security for any obligation of a member. In the event a holder of Membership Common Stock issued as evidence of membership in the Cooperative ceases to be a member of the Cooperative, for any reason the member's Membership Common Stock may be canceled by the Cooperative's Board of Directors upon termination of such member's membership.

(b) No holder of Membership Common Stock has any right whatsoever to require the redemption of such Membership Common Stock. The Membership Common Stock may be redeemed only at the option of the Board of Directors in accordance with the provisions of these Articles and the Bylaws. The Board of Directors has the authority to establish a redemption policy on terms and conditions it deems advisable in its sole discretion; provided,

however, that the Membership Common Stock may never be redeemed for more than the value of the consideration for which the Membership Common Stock was issued.

(c) The Board of Directors has the authority to establish such additional terms and conditions, qualifications, methods of acceptance, duties, rights and privileges of holding Membership Common Stock of this Cooperative as it may from time to time deem advisable. The Board of Directors may refuse membership or provide conditional membership to an applicant in its sole discretion.

Section 4.3 Preferred Stock.

(a) Preferred Stock shall be capital stock without voting rights and may be held by any party, whether or not a member of the Cooperative or eligible for membership in the Cooperative. The rate of dividend upon Preferred Stock shall be determined and established by the Board of Directors at the time of the creation of any series or subclass of Preferred Stock, but shall not exceed 8% of its issuance price per year. Dividends on Preferred Stock shall not be cumulative unless otherwise determined by the Board of Directors at the time of the creation of any series or subclass of Preferred Stock.

(b) The Cooperative reserves the prior right to acquire any Preferred Stock offered for sale by any shareholder, or a right to recall the Preferred Stock of any shareholder. The consideration paid for Preferred Stock recalled by the Cooperative shall be the price paid upon original issuance of such shares plus any accrued but unpaid dividends. Preferred Stock may be transferred only on the books of the Cooperative.

ARTICLE V NET INCOME AND LOSS

The net income of this Cooperative in excess of dividends on equity capital and additions to reserves shall be distributed to member patrons annually or more often on the basis of patronage and the records of this Cooperative may show the interest of member patrons in the reserves. Net income may be accounted for and distributed on the basis of allocation units that may be functional, divisional, departmental, geographic, or otherwise. Net income may be distributed in cash, capital stock credits, allocated patronage equities, revolving fund certificates, securities of this Cooperative, other securities, or any combination thereof. Any such allocated equity shall be redeemable only at the option of the Board of Directors. The net loss of an allocation unit or units may be offset against the net income of other allocation units to the extent permitted by law. The net income or net loss of this Cooperative or any allocation unit may be determined by including this Cooperative's proportionate share of the net income or loss of other entities in which this Cooperative owns an equity interest. The foregoing provisions of this Article shall be implemented as more particularly provided in the Bylaws of this Cooperative.

ARTICLE VI LIQUIDATION

In the event of any dissolution, liquidation or winding up of this Cooperative, whether voluntary or involuntary all debts and liabilities of this Cooperative shall be paid first according to their respective priorities. As more particularly provided in the Bylaws, the holders of Preferred Stock shall then receive the amounts paid in upon any issuance of any such Preferred Stock plus the amount of any declared but unpaid dividends, followed by payment of any allocated patronage equities or similar equity interests, followed by payment to the holders of Membership Common Stock the amounts paid in upon any issuance of such Membership Common Stock. As provided in the Bylaws, any remaining surplus shall then be donated, as determined by the Board of Directors in its discretion, to organizations having cooperative and not-for-profit purposes comparable to the purposes of the Cooperative or to organizations to which a deductible contribution may be made according to the Internal Revenue Code.

ARTICLE VII BOARD OF DIRECTORS

Section 7.1 Number and Board. The business and affairs of this Cooperative shall be managed by a board of directors of not less than seven persons, as further provided in the Bylaws. Directors shall be elected by the members in such manner and for such terms as the Bylaws prescribe.

Section 7.2 Limitation on Liability. No director of this Cooperative shall be personally liable to the cooperative or its members 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 this Cooperative or 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 when the provisions of this Article became effective.

It is the intention of the members of this 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 this Article becomes effective which authorize cooperatives to act to eliminate or further limit the personal liability of directors, then the liability of the directors of this Cooperative shall be eliminated or limited to the greatest extent permitted by the Minnesota Statutes, as so amended. Any repeal or modification of this

Article by the Members of this Cooperative shall not adversely affect any right of, or any protection available to a director of this Cooperative which is in existence at the time of the repeal or modification.

**ARTICLE VIII
AMENDMENTS**

These Articles of Incorporation may be amended in accordance with Minnesota Statutes, Chapter 308A.

There being no voting members of the Cooperative as of such date, these Amended and Restated Articles of Incorporation of MANNA Food Cooperative were approved by the Board of Directors voting at a special meeting of the Board held on November 16, 2015.

By: _____
Wendy L. Gordon, Chair of the Board of Directors