

North Coast Cooperative, Inc.

Articles of Incorporation

**NORTH COAST COOPERATIVE, INC.
ARTICLES OF INCORPORATION**

Endorsed and filed in the office of the Secretary of State of the State of California, January 25,

1982. Know all People by these Presents:

That we, the undersigned, a majority of whom are citizens and residents of the state of California, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of California; and we do hereby certify:

ARTICLE I

The Articles of Incorporation of this corporation are hereby set forth for the purpose of forming a cooperative corporation consistent with the provisions of the Corporations Code of the State of California.

ARTICLE II

The name of this corporation is North Coast Cooperative, Inc. The principal office for transaction of corporate business is in the County of Humboldt, State of California.

ARTICLE III

This corporation is organized as a cooperative corporation under the laws of the State of California for the purpose of conducting any lawful business, primarily for the mutual benefit of its shareholders who may be natural or legal persons.

ARTICLE IV

Without in any way limiting its objects, purposes, and powers, this corporation shall be authorized, and have the power:

- A. to promote and provide a medium whereby consumers may act together, collectively and cooperatively, towards the production, purchase, transportation, storage, and distribution of goods, merchandise and commodities of all kinds, and in rendering and purchase of services to all kinds for the benefit of its members and the public.
- B. to promote the economic welfare of its members and the public through the collective buying, production and distribution of any and all commodities and services which the members may desire.
- C. to engage in any business or activity which shall serve the economic, educational, and cultural welfare of its members and the public.
- D. to advance the consumers' cooperative movement as an economic system having service for its motive; and to join, or otherwise associate itself with other cooperative societies throughout the state and nation, and the counties abroad for the purpose of mutual aid and the creation of a cooperative society.
- E. to have, exercise, and possess all the rights, powers and privileges granted generally to cooperative corporations by the laws of the State of California.

ARTICLE V

This corporation is authorized to issue four (4) classes of shares:

- Class A - Membership Shares
- Class B - Sustaining Shares
- Class C - Co-op Shares
- Class D - Investment Shares

The total number of shares which this corporation shall have authority to issue is 6,100,000; and the total number of each class share this corporation shall have authority to issue is as follows:

- Class A Membership Shares, 100,000;
 - Class B Sustaining Shares, 2,000,000;
 - Class C Co-op Shares, 2,000,000;
 - Class D Investment Shares, 2,000,000.
- No Share of any class shall have any par value.

ARTICLE VI

The preferences, privileges and restrictions granted to or imposed upon the respective classes of shares and upon the holders thereof are as follows:

A. In the event of the liquidation or dissolution of this corporation, its assets shall be distributed as follows:

First: The holders of issued and outstanding Class D investment Shares shall be paid up in full to the amount of the purchase price paid therefore upon issuance, and a further amount equal to any dividends declared and unpaid on such shares on the date of distribution shall be paid. If the assets to be distributed among the holders of Class D Shares should be insufficient to permit the payment to said share holders of the full preferential amounts mentioned, then the entire assets of the cooperative to be distributed shall be distributed ratably amount the holders of the said Class D Shares.

Second: The holders of the issued and outstanding Class C Co-op Shares shall be paid up in full to the amount of the purchase price paid therefore, upon issuance and a further amount equal to any dividends declared and unpaid on such shares on the date of distribution shall be paid. If the remaining assets to be distributed among the holders of Class C Shares should be insufficient to permit the payment to said shareholders of the fully preferential amounts mentioned, then the entire remaining assets of the cooperative to be distributed shall be distributed ratably among the holders of said Class C Shares.

Third: The holders of issued and outstanding Class B Sustaining Shares shall be paid up in full to the amount of the purchase price paid therefore upon issuance and a further amount equal to any dividends declared and unpaid on such shares on the date of distribution shall be paid. If the remaining assets to be distributed among the holders of Class B Shares should be insufficient to permit the payment to said shareholders of the full referential amounts mentioned, then the entire remaining assets of the cooperative to be distributed shall be distributed ratably among the holders of said Class B Shares.

Fourth: The holders of issued and outstanding Class A Membership Shares shall be paid up in full to the amount of the purchase price paid therefore upon issuance. If the remaining assets to be distributed among the holders of the Class A Shares should be insufficient to permit the payment to said shareholders of the full amounts mentioned, then the entire remaining assets of the cooperative to be distributed shall be distributed ratably among the holders of Class A Shares.

Fifth: The balance of any assets remaining to be distributed after making the distributions set forth in paragraphs First, Second, Third and Fourth shall be paid to the holders of all issued and outstanding Class A, Class B, Class C and Class D Shares as if said shares were all of the same class.

B. No Class A Membership Shares shall be sold or issued to a purchaser or transferred on the books of this corporation to one who is not a bonafide resident of the State of California and until a written application therefore containing a written representation concerning the residency of the applicant has been specifically approved by the Board of Directors or its designated representative, and the applicant has agreed in writing to comply with the By-laws of this corporation, from time to time adopted.

C. No Class B Sustaining Share of Class C Co-op Share, no Class D Investment Share shall be issued to, or held by or transferred on the books of this corporation to any person or entity who is not a bonafide holder of an issued and outstanding Class A Membership Share.

D. This corporation shall have the right to purchase at book value as conclusively determined by the Board of Directors any issued and outstanding share of any class which is:

1. Offered by the holder thereof for sale or assignment to this corporation or to any other person or to the public, or,
2. Held in the name of a deceased person, or
3. Held by any member or shareholder who shall have failed to patronize the corporation during the preceding fiscal year to an amount prescribed by the By-laws of the corporation, or
4. Subject to repurchase by the corporation under other provision of law applicable to California Cooperative Corporations.

The price so fixed for the repurchase of any issued and outstanding share A or B Share shall never exceed the purchase price therefore upon the issuance thereof. The price so fixed for the repurchase of any issued and outstanding C or D Share shall be the repurchase price established for said share prior to its issuance. In either case, the repurchase price shall be subject to such administrative charge as the Board of Directors shall, from time to time, fix for the processing of the issuance or redemption of any said share of any class.

E. Any attempted assignment or transfer of any issued and outstanding share of any class without first offering said share or shares to this corporation for repurchase in accordance with the provisions of D.1. of this Article shall be wholly void and shall confer no rights on the intended assignee or transferee.

F. The voting rights and privileges of this corporation shall rest exclusively in the voters of its Class A Membership Shares. Neither Class B Sustaining Shares, Class C Co-op Shares, nor Class D Investment Shares shall have the right to vote.

G. Any holder of a Class A Membership Share shall be entitled to cast one vote and no more.

ARTICLE VII

The management of the affairs of this corporation shall be vested in a Board of Directors consisting of nine (9) persons elected from the holders of its membership shares. The number of Directors may be changed at any time by an amendment of these Articles or by the adoption of a By-law, and special authority is delegated to the members and shareholders of this corporations holding voting power to change the number of

Directors thereof at any time by the adoption of a By-law to that effect, provided that any such change shall be in accordance with the law.

ARTICLE VIII

The first Directors of this corporation, each of whom has paid in the sum of ten dollars (\$10.00) to the corporation as and for a membership fee,, as such statements appear in the original Articles of Incorporation of this corporation are:

- Ava Kahn, 1729 Charles Avenue
Arcata, CA. 95521
- Angela Koken, 1769 School Road
McKinleyville, CA. 95521
- Jim Johnson, 135 Sylvia Avenue,
Arcata, CA. 95521
- Steven Newmark, 1729 Charles Avenue
Arcata, CA. 95521
- Raymond Glover, 769 School Road,
McKinleyville, CA. 95521
- William Fassnacht, 1460 A Street,
Arcata, CA. 95521
- Michael S. Rhodes, Route 1, Box 210
Arcata, CA. 95521