

# Articles of Organization of Iowa Food Cooperative

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to Iowa Code Section 501A.503, the undersigned organizer hereby organizes the Iowa Food Cooperative pursuant to these Articles of Organization.

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## 1. Members and Directors

### 1.1 Membership eligibility

Anyone who expresses an intention to buy or sell products through the cooperative is eligible for membership.

### 1.2 Membership classes

There will be two classes of members, producer members and consumer members, as defined in the Bylaws.

### 1.3 Annual meeting of members

The annual meeting of the members will be held within 180 days after the end of each fiscal year. The board will set the time and place of each annual meeting.

### 1.4 Number of directors and term

The cooperative will have between five and fifteen directors as specified in the Bylaws. Each director elected to serve a full term will serve a three year term.

### **1.5 Initial directors**

The cooperative's initial directors, their membership type, and the expiration of their initial terms of office are:

Consumer members:

Robb Origer, term expires at the 2009 annual meeting  
Linda Gobberdiel, term expires at the 2010 annual meeting  
Carolyn Ross, term expires at the 2011 annual meeting

Producer members:

Ron Bartelt, term expires at the 2009 annual meeting  
Ken Henrichsen, term expires at the 2010 annual meeting  
Jason Jones, term expires at the 2011 annual meeting

## **2. Members' Equity**

### **2.1 Allocation of net savings**

The board will determine the portion of net savings to be set aside (a) to provide a reasonable reserve for depreciation, obsolescence, bad debts, contingent losses, and contingent expenses; and (b) to establish the necessary surplus based on the board's evaluation of the future needs and competitive position of the cooperative. The remaining net savings will be distributed to the members as provided in the Bylaws.

### **2.2 Redemption of patronage refunds**

The Bylaws will specify the procedures to be followed in redeeming patronage refunds. These rules will establish the order of redemption based on objective criteria which are equally applied to all similarly situated members. The adoption of such a Bylaw provision does not create a right to have patronage refunds redeemed until the board decides to make a redemption under the Bylaw. The board may amend such a Bylaw provision from time to time without any liability to any member. The cooperative may offer to redeem patronage refunds for less than its stated value, but no holder will be required to accept such an offer.

### **2.3 Tax consent**

Each member consents to take into account as taxable income the dollar amount of any written notice of patronage allocation in the year the written notice is received, unless the written notice states that the member is not required to take the amount into income that year. Each member makes this consent by the act of becoming a member or continuing as a member.

## **3. Miscellaneous**

### **3.1 Applicable law**

The cooperative is organized and operates under Chapter 501A of the Code of Iowa.

### **3.2 Name**

The name of the cooperative is "Iowa Food Cooperative" (referred to herein as the "cooperative").

### **3.3 Registered office**

The cooperative's registered office will be located at 137 Lynn Avenue, Suite 200, Ames, IA 50014, and Gary Huber is the registered agent at this registered office.

### **3.4 Purposes**

The cooperative is organized to conduct any lawful business that will serve its members, either directly or indirectly. The cooperative may accomplish any of these purposes through one or more subsidiaries.

### **3.5 Duration**

The cooperative will have a perpetual duration.

### **3.6 Article amendments**

The procedure to amend the Articles of Organization is as follows

#### **A. Board approval**

The board must pass a resolution that states the text of the proposed amendment and the member meeting at which the proposed amendment will be considered by the members.

#### **B. Meeting notice**

The notice of the meeting must contain a copy of the proposed amendment and an absentee ballot form by which each member may vote on the proposal.

#### **C. Member approval**

The proposed amendment must be approved at a member meeting at which a quorum is present. The proposal must be approved by a majority of the producer members represented at the meeting and it must also be approved by a majority of the consumer members represented at the meeting.

### **3.7 Lien and set off**

The cooperative will have a security interest in and a right of setoff against each member's equity interest in the cooperative. This security interest and right of setoff will secure repayment of any debt owed by the member to the cooperative.

### **3.8 Documents of title**

Any two of the cooperative's officers may sign any deed, mortgage, contract for deed, lease, or any other document relating to real or personal property on behalf of the cooperative. The cooperative will not have a corporate seal.

### **3.9 No certificates**

The cooperative will not issue certificates to represent membership interests or patronage refunds. The cooperative shall provide a member with a statement of the member's equity interests upon request.

### **3.10 Limited liability**

The private property of the members, directors and officers will be exempt from execution for the debts of the cooperative.

### **3.11 Distribution in liquidation**

Upon dissolution of the cooperative, the cooperative's assets remaining after the payment of all debts will be distributed to the members and former members up to the stated value of their membership interests. Any remaining excess will be distributed to the members and former members in proportion to the business done by them with the cooperative during the time period (which is practicable under the circumstances) determined by the board to best reflect the patrons whose business resulted in the cooperative accumulating the assets.

**3.12 Organizer**

The organizer of this cooperative is Gary Huber, and his address is 137 Lynn Avenue, Suite 200, Ames, IA 50014.

Dated: July \_\_\_\_, 2008

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Gary Huber, Organizer

After filing, this document should be returned to Gary Huber, 137 Lynn Avenue, Suite 200, Ames, IA 50014.