

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

MAIN MARKET CO-OP

a/an WA Miscellaneous and Mutual. Charter documents are effective on the date indicated below.

Date: 9/5/2008

UBI Number: 602-861-454

APPID: 1242531



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

A handwritten signature in cursive script that reads "Sam Reed".

Sam Reed, Secretary of State

State of Washington

Secretary of State

CORPORATIONS DIVISION
James M. Dolliver Building
801 Capitol Way South
PO Box 40234
Olympia WA 98504-0234
360.753.7115

602-861-454

FILED
SECRETARY OF STATE

SEP 05 2008

STATE OF WASHINGTON

Application for NonProfit Corporation

Office Information

Application ID 1242531
Tracking ID 1562677
Validation ID 1355294-001
Date Submitted for Filing: 8/28/2008

Contact Information

Contact Name Joel Merkel
Contact Address 1001 4th Ave.
Seattle
WA
98154

Contact Email joel@merkellaw.com
Contact Phone 206-389-8240

Articles of Incorporation

Preferred Name MAIN MARKET CO-OP
Purpose Any Lawful Purpose
Duration Perpetual
Incorporation Date Effective Upon Filing by the Secretary of State
Expiration Date 8/31/2009
Distribution of Assets Per attached Articles of Incorporation
Separate Articles of Incorporation Uploaded ARTICLES_OF_INCORP.doc

Registered Agent Information

Agent is Individual
Agent Name Joel Merkel

Agent Street Address

1001 4th Ave., Suite 4050
Seattle
WA
98154

Agent Mailing Address Same as Street Address

Agent Email Address joel@merkellaw.com

Submitter/Agent Relationship Submitter is Registered Agent

Initial Directors Information

Director #1

Director Name Scott Adkins

Title Director

Director Address 106 Nora Avenue
Spokane
WA
99205

Director #2

Director Name Sheila Collins

Title Director

Director Address 1611 W. Indiana Avenue
Spokane
WA
99205

Director #3

Director Name Mary Eberle

Title Director

Director Address 4067 W. Bonnie Dr.
Spokane
WA
99224

Director #4

Director Name John Grollmus

Title Director

Director Address 1931 West Pacific
Spokane
WA
99024

Director #5

Director Name

Jim Haynes

Title Director

Director Address 44 East 31st
Spokane
WA
99203

Director #6

Director Name Dorothy MacEachern

Title Director

Director Address 912 W. 23rd Avenue
Spokane
WA
99203

Director #7

Director Name Patricia Sampson

Title Director

Director Address 114 West Pacific, # 201
Spokane
WA
99201

Director #8

Director Name Dave Sandera

Title Director

Director Address 35 West Main
Spokane
WA
99201

Director #9

Director Name Michael Woods

Title Director

Director Address 502 E. Boone Avenue
Spokane
WA
99258

Incorporators Information

Incorporator #1

Incorporator Name Joel Merkel

Incorporator Address

1001 4th Ave., Suite 4050
Seattle
WA
98154

Signature Information
Signed By Joel Merkel

SEP 05 2008
STATE OF WASHINGTON

ARTICLES OF INCORPORATION
OF
MAIN MARKET CO-OP

The undersigned, acting as an Incorporator under the Washington Miscellaneous and Mutual Corporations Act (Revised Code of Washington 24.06) hereby adopts and executes the following Articles of Incorporation.

ARTICLE I
Name

The name of this corporation is **MAIN MARKET CO-OP**.

ARTICLE II
Duration

The period of duration of this corporation shall be perpetual.

ARTICLE III
Purposes

The purposes for which this corporation is formed are:

1. To establish and operate a retail consumer food cooperative that strengthens the local food system and educates the public through the sale of sustainable foods and services to its members and other consumers.

2. To engage in all such activities as are incidental or conducive to attainment of the purpose provided above, and to exercise all powers now or hereinafter permitted by the State of Washington for corporations formed under the Miscellaneous and Mutual Corporations Act, Chapter RCW 24.06 as it now exists or as hereafter amended.

3. The foregoing enumeration of purposes shall not be held to limit or restrict in any manner the general powers conferred on this Corporation by the laws of the State of Washington, all of which are hereby expressly claimed. This corporation shall be operated on a cooperative basis for the mutual benefit of its members as patrons of the corporation.

ARTICLE IV
Membership

1. Any natural person regardless of race, nationality, political opinion, legal address, sex, sexual preference, age, or religious belief, shall be eligible to become a member of the cooperative by complying with requirements and procedures set forth in the Bylaws. This shall include a financial membership contribution to the cooperative. The amount and frequency of this contribution, proportion of operating funds versus equity and the terms of payment shall be set forth in the Bylaws. Membership shall be per individual and shall be non-transferable (including by inheritance or other succession). Procedures for maintaining "active" membership status shall be consistent with the provisions of RCW

24.06.065 as the same may be amended from time to time. Active members are members who have provided the Cooperative with their current address, are current on all financial obligations to the Cooperative and are in compliance with all rules, regulations and policies of the Cooperative.

2. Only "active" members shall be allowed to vote or be eligible to serve on the Board of Directors. Each "active" member shall only be entitled to one vote. Voting shall be conducted consistent with RCW 24.06.110, as the same may be amended from time to time.

3. An "active" member shall become "inactive" if he or she ceases to meet the requirements set forth in these Articles or the Bylaws. "Inactive" members shall not have a vote in the selection of the Board of Directors, amendments to these Articles, or in any other proposals or initiatives related to cooperative membership. Such members shall have the right to become "active" by complying with the conditions set forth in the Bylaws.

4. A class of "affiliate" membership may be established by the Bylaws or be defined by the Board of Directors. This class may include community groups, businesses, organizations, and other cooperatives. Affiliate members shall have rights and privileges as defined by the Bylaws or the Board of Directors, but shall not have a vote in the selection of the Board of Directors, amendments to these Articles, or in any other proposals or initiatives related to cooperative membership.

5. The Board of Directors of the cooperative shall be determined by the "active" members through elections conducted as set forth in the Bylaws.

6. Membership may be terminated as set forth in the Bylaws. After termination, the Cooperative shall redeem any preferred stock of the terminated member and the member shall be entitled to a refund of the initial membership fee less any amount owed the cooperative by that member.

7. If an "inactive" (as defined herein) member remains inactive for three years and does not redeem that member's paid-in equity, then that equity shall be considered to be donated capital and shall be transferred to the cooperative. If within the following two years the former member presents his or her individual membership certificate to the cooperative, the member shall be reinstated in accordance with the provisions of the Bylaws and the equity shall be reinstated. If the member does not appear within the said five-year period, then the member shall have forfeited all rights of membership, their name shall be stricken from membership rolls, and their membership certificate shall be canceled. Member equity transferred to the cooperative shall become a part of the permanent equity of the cooperative and shall no longer be refundable.

ARTICLE V Capital Stock

1. The Board of Directors may issue non-voting, non-transferable capital stock, with a dividend rate fixed at the time of issuance, and without par value. Dividends on preferred shares shall not be cumulative. Purchase of said stock shall constitute an

agreement by the purchaser to sell back to the cooperative said stock for consideration, which is equal to, in dollars, the sum originally paid for said stock. The Agreement to repurchase capital stock shall be exercisable at the option of and in the sole discretion of the Cooperative. The Board of Directors may enter into agreements with the purchasers of such stock regarding the timing of purchase and redemption of said stock, reserving the right to delay payment based on the financial health of the cooperative.

2. There shall be no preemptive rights resulting from ownership of any capital stock of this cooperative.

3. The Membership may at any time prohibit the Board of Directors from further issuing of stock, but may not otherwise interfere with the sale or redemption of stock by the Board.

4. Stock may be sold publicly to only Washington state residents; as an internal member-only offering, stock may be offered to cooperative members residing in and outside Washington state.

5. The cooperative may issue up to One Hundred Thousand (100,000) shares of stock.

6. In matters covered under Section 24.06.120 RCW, stockholding members shall receive no additional voting power other than their membership vote, although by law, they must be allowed to vote, even if their membership is not "active."

7. Subscription forms for the purchase of capital stock shall include in writing the provisions of this Article, and the provisions of Article VII entitled Distributions Upon Dissolution, or their reasonable equivalent. Signature of the purchaser on said form shall constitute agreement to all provisions stated therein. Stock certificates shall have the word "Non-transferable" printed prominently on the face thereof, along with the sale/redemption price and dividend rate.

ARTICLE VI Surplus Distributions

At the discretion of the Board of Directors, operating surpluses may be distributed to the cooperative's active members as provided in the Bylaws, as they may be amended from time to time.

ARTICLE VII Distributions Upon Dissolution

Upon dissolution or final liquidation of the cooperative, the assets shall be distributed in the following order of priority:

- a. Payment of liabilities to non-members;
- b. Payment of liabilities to members;
- c. Redemption of stock issued and outstanding;

- d. Refund of all other member equity payments;
- e. The remaining assets and funds, if any, shall then be distributed ratably to members during the past five (5) years in proportion to their individual patronage as shown by the records of the Cooperative on as equitable a basis as the Board of Directors finds practicable.

If sufficient funds are not available to fully satisfy claims in any category, payments to that category shall be made pro rata to the exclusion of all other categories falling beneath said category.

**ARTICLE VIII
Dissenting Members**

Any member who becomes a dissenting member pursuant to RCW 24.06.250, as the same may be amended from time to time, shall after termination, be entitled to a return of not less than the consideration paid to the corporation for the membership or shares which he or she holds.

**ARTICLE IX
Registered Office**

The address of the initial registered office of this corporation is 1001 4th Ave., Suite 4050, Seattle, WA 98154 and the name of its initial registered agent at such address is Joel Merkel.

**ARTICLE X
Board of Directors**

1. The management of this corporation shall be vested in a Board of Directors. The Board is empowered to perform any action, consistent with RCW 24.06 or successor statute, unless power for such action is specifically vested in the membership by these Articles or the Bylaws.

2. The number of directors, and the methods for their selection and/or removal shall be fixed by the Bylaws of this corporation; provided, that the initial directors shall be nine (9) in number and their names and addresses are:

<u>Name</u>	<u>Address</u>
Scott Adkins	106 W. Nora Avenue; Spokane, WA 99205
Shelia Collins	1611 W. Indiana Avenue; Spokane, WA 99205
Mary Eberle	4067 W. Bonnie Dr.; Spokane, WA 99224
John Grollmus	1931 West Pacific; Spokane, WA 99024
Jim Haynes	44 East 31 st ; Spokane, WA 99203
Dorothy MacEachern	912 W 23rd Ave; Spokane, WA 99203
Patricia Sampson	114 West Pacific Avenue, #201; Spokane, WA 99201
Dave Sanders	35 West Main; Spokane, WA 99201
Michael Woods	502 E. Boone Ave.; Spokane, WA 99258

ARTICLE XI Bylaws

The Board of Directors is authorized to make, alter, amend, or repeal the Bylaws of this corporation.

ARTICLE XII Amendments

1. This corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation by the affirmative vote of two-thirds (2/3) vote of "active" members. A quorum for an election to amend these Articles shall be twenty five percent (25%) of the "active" membership or as defined by RCW 24.06.115, as the same may be amended from time to time.

2. Amendments to these Articles may be conducted by mail-in ballot or any other means as determined in the discretion of the Board of Directors which is not inconsistent with these Articles or RCW 24.06. Ballots shall be communicated in writing. The Board of Directors shall determine the most suitable ballot distribution to the "active" membership and conduct the elections in accordance with the provisions of RCW 24.06.110, as the same may be amended from time to time.

ARTICLE XIII Conflicts Provision

ARTICLE XIV Limitation on Director and Officer Liability and Indemnification of Directors and Officers

Section 1. To the fullest extent permitted under RCW Chapter 24.06, and/or RCW Chapter 23B.08.320, and RCW Chapter 23B.08.500, through 23B.08.600, or any other applicable law, as such laws now exist or may hereafter be amended, the corporation shall limit or eliminate the liability of Directors and officers for acts or omissions as a Director or officer.

Section 2. The corporation shall indemnify and defend its Directors and officers against claims for acts or omissions as a Director or officer, including by the advancement of costs of defense and/or the purchase of insurance that indemnifies and holds such Directors and officers harmless against such claims. Any amendment to or repeal of this Article shall not adversely affect any right or protection of a Director or officer of the corporation for or with respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal.

Section 3. Notwithstanding the foregoing, no indemnification shall be provided for acts or omissions finally adjudged to be intentional misconduct or a knowing violation of law, for conduct finally adjudged to be in violation of Section 23B.08.310 of the Washington Business Corporation Act, for any transaction with respect to which it was finally adjudged

that such Director or officer personally received a benefit in money, property or services to which such Director or officer was not legally entitled or if the corporation is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560 or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this section shall be as set forth in such amended statutory provision.

Section 4. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, bylaws, agreement, vote of members or disinterested Directors or otherwise.

Section 5. The Corporation may maintain insurance at its expense to protect itself and any Director, officer, Committee member, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such persons against such expense, liability or loss under the Washington Mutual Corporation Act or any other law that may be applicable to Washington cooperative corporations. The Corporation may, without further membership action, enter into contracts with any Director or officer of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means, including a letter of credit, to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 6. The Corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors, officers or Committee members of the Corporation or pursuant to rights granted pursuant to, or provided by, the Washington Non-profit Corporation act or any other law that may be applicable to Washington nonprofit corporations.

ARTICLE XV
Incorporator

The name and address of the Incorporator are:

Joel Merkel
1001 4th Ave., Suite 4050
Seattle, WA 98154

DATED this _____ day of August, 2008.