

**ARTICLES OF INCORPORATION**  
**OF**  
**THE POUFRE VALLEY COMMUNITY FARMS, A LAND COOPERATIVE**

Pursuant to Colorado Revised Statutes ("C.R.S.") Title 7, Article 58 ("*Uniform Limited Cooperative Association Act*" or "*ULCAA*") and C.R.S. Title 7, Article 90, Part 3, on behalf of **POUDRE VALLEY COMMUNITY FARMS, A LAND COOPERATIVE** (the "*Cooperative*") these Articles of Incorporation ("*Articles of Incorporation*") are duly authorized and approved to take effect immediately upon being filed.

**ARTICLE I**

**NAME**

The name of the Cooperative is **POUDRE VALLEY COMMUNITY FARMS, A LAND COOPERATIVE**. The Cooperative shall be authorized to register and operate under the trade name **POUDRE VALLEY COMMUNITY FARMS**, in accordance with C.R.S. Title 7, Article 71.

**ARTICLE II**

**OFFICES**

2.1 The principal business and mailing address for the Cooperative is PO Box 26, Laporte, CO 80535.

2.2 The registered agent and registered agent address for the Cooperative is Seth Jansen, 624 Smith Street, Fort Collins, CO 80524.

**ARTICLE III**

**ORGANIZERS**

The names and addresses of the organizers are:

Seth Jansen, 624 Smith Street, Fort Collins, CO 80524;  
Gailmarie Kimmel, 331 Park St., Fort Collins, CO 80521;  
Constance Zybko, 832 Wood Street, Fort Collins, co, 80521;  
Martha Sullins 3000 Eindborough Drive, Ft. Collins, 80525;  
Maria Elena Price, 624 Smith Street, Fort Collins, CO 80524;  
Nic Koontz, 2930 Farview, Fort Collins, CO 80524; and  
Katie Slota, 2930 Farview, Fort Collins, CO 80524.

**ARTICLE IV**

**PURPOSE**

The purposes for which the Cooperative is organized are to: (i) transact all lawful business for which Cooperatives may be incorporated pursuant to the Colorado Uniform Limited Cooperative Association Act; (ii) provide affordable and long-term agricultural land access to local food producers that are committed to environmental and social sustainability; (iii) increase availability of locally produced food; (iv) foster equitable community ownership of farmland; and (v) create a tangible positive impact on society, taken as a whole, from the business and operations of the Cooperative.

## ARTICLE V AUTHORIZED CAPITAL

The aggregate number of Common voting shares which the Cooperative is authorized to issue is Two Thousand Five Hundred (2,500) shares of Common Stock, no par value (the “*Common Stock*” or “*Patron Membership Shares*”). Each share of Common Stock shall have one and only one vote on all matters for which a vote may or is to be taken as defined in the Bylaws, and be fully paid, non-assessable and may not be sold, assigned or otherwise transferred, voluntarily or involuntarily, by operation of law or otherwise, except for a transfer to the Cooperative under the redemption provisions set forth in the Bylaws of the Cooperative.

The aggregate number of Preferred shares which the Cooperative is authorized to issue is Two Thousand (2,000) shares of Preferred Stock, no par value (the “*Preferred Stock*” or “*Investor Membership Shares*”). Each share of Preferred Stock shall be entitled to one vote per share on matters for which a vote by the holders of Preferred Stock may or is to be taken as defined in the Bylaws, and shall be fully paid, non-assessable, and may not be sold, assigned or otherwise transferred, voluntarily or involuntarily, by operation of law or otherwise, except for a transfer to the Cooperative under the redemption provisions set forth in the Bylaws of the Cooperative or except as otherwise provided in the Bylaws.

The respective preferences, voting powers, qualifications and special or relative rights or privileges of or applicable to Classes M-C-P Common Stock and the Class I Preferred Stock are as follows:

### 5.1 **Class M Common Stock** (Patron-Member Shares)

- i. **Membership.** Restricted eligibility for the ownership of shares of Class M Common Stock shall be in accordance with the Cooperative’s Bylaws.
- ii. **Rights and Privileges.**
  - i. **Voting.** The holders of Class M Common Stock are entitled to no more than a single vote per share on any matter for which a vote by Class M Members may or is to be taken as prescribed in the Cooperative’s Bylaws. Each Class M Membership Share shall entitle the holder thereof to one (1) vote.
  - ii. **Patronage Dividends.** No dividends are paid on shares of Class M Common Stock, however, all or part of the net earnings or losses of the Cooperative shall be allocated to the holders of Membership Shares on the basis of each Class M Member’s patronage, as determined by the Board of Directors on an annual basis and in accordance with the Bylaws (“*Patronage Dividend*”).
  - iii. **Liquidation Rights.** Subject to preferential liquidation rights of the holders of Class I Preferred Stock as provided in the Bylaws of the Cooperative, shares of Class M Common Stock shall be entitled to distributions of residual proceeds resulting from dissolution, winding up, liquidation, whether voluntary or involuntary (“*Liquidation Event*”) on a *pari passu* basis with the outstanding shares of Class M, Class C and Class P Common Stock.

### 5.2 **Class C Common Stock** (Patron-Member Shares)

- i. **Membership.** Restricted eligibility for the ownership of shares of Class C Common stock shall be in accordance with the Cooperative’s Bylaws.
- ii. **Rights and Privileges.**
  - iv. **Voting.** The holders of Class C Common Stock are entitled to no more than a single vote per share on any matter for which a vote by Class C Members may or is to be taken as prescribed in the Cooperative’s Bylaws. Each Class C Membership Share shall entitle the holder thereof to one (1) vote.
  - v. **Patronage Dividends.** No dividends are paid on shares of Class C Common Stock, however, all or part of the net earnings or losses of the Cooperative shall be

allocated to the holders of Membership Shares on the basis of each Class C Member's patronage, as determined by the Board of Directors on an annual basis and in accordance with the Bylaws ("*Patronage Dividend*").

- vi. **Liquidation Rights.** Subject to preferential liquidation rights of the holders of Class I Preferred Stock as provided in the Bylaws of the Cooperative, shares of Class C Common Stock shall be entitled to distributions of residual proceeds resulting from dissolution, winding up, liquidation, whether voluntary or involuntary ("*Liquidation Event*") on a *pari passu* basis with the outstanding shares of Class M, Class C and Class P Common Stock.

### 5.3 Class P Common Stock (Patron-Member Shares)

- i. **Membership.** Restricted eligibility for the ownership of shares of Class P Common stock shall be in accordance with the Cooperative's Bylaws.
- ii. **Rights and Privileges.**
  - vii. **Voting.** The holders of Class P Common Stock are entitled to no more than a single vote per share on any matter for which a vote by Class P Members may or is to be taken as prescribed in the Cooperative's Bylaws. Each Class P Membership Share shall entitle the holder thereof to one (1) vote.
  - viii. **Patronage Dividends.** No dividends are paid on shares of Class P Common Stock, however, all or part of the net earnings or losses of the Cooperative shall be allocated to the holders of Membership Shares on the basis of each Class P Member's patronage, as determined by the Board of Directors on an annual basis and in accordance with the Bylaws ("*Patronage Dividend*").
  - ix. **Liquidation Rights.** Subject to preferential liquidation rights of the holders of Class I Preferred Stock as provided in the Bylaws of the Cooperative, shares of Class P Common Stock shall be entitled to distributions of residual proceeds resulting from dissolution, winding up, liquidation, whether voluntary or involuntary ("*Liquidation Event*") on a *pari passu* basis with the outstanding shares of Class M, Class C and Class P Common Stock.

### 5.2 Class I Preferred Stock (Investor-Member Shares)

- i. **Voting Rights.** Holders of Class I Preferred Stock (each an "*Investor Member*") shall be entitled to no more than a single vote per share on matters for which a vote by Class I Members may or is to be taken, as prescribed in the Cooperative's Bylaws.
- ii. **Dividends.** When and as declared by the Cooperative's Board and to the extent permitted under C.R.S. Title 7, Article 58, holders of Class I Preferred Stock shall be entitled to receive variable, non-cumulative annual dividends out of the net earnings of the Cooperative available therefor.
- iii. **Put and Call Rights.** Class I Preferred Stockholders shall have put and call rights as provided in the Bylaws of the Cooperative.
- iv. **Liquidation Preference.** Shares of Class I Preferred stock shall have a preference to distributions of residual proceeds in a Liquidation Event relative to outstanding shares of Class M, Class C and Class P Common Stock. In a Liquidation Event, proceeds shall first be applied to redeem all shares of Class I Preferred Stock on a *pari passu* basis therewith before any proceeds may be distributed to any other class of Common Stock. Distribution of liquidation proceeds to the holders of shares of Class I Preferred stock shall be entitled to be paid out of the assets of the Cooperative legally available for distribution for declared and un-redeemed dividends on the Class I Preferred Stock, and each share of Class I Preferred Stock shall be entitled to an amount per share of Class I Preferred Stock equal to the original purchase price per share plus any declared but un-redeemed dividends or distributions.

**ARTICLE VI  
PREEMPTIVE RIGHTS/CUMULATIVE VOTING**

The Cooperative's Common and Preferred Stockholders (the "*Stockholders*" or "*Members*") shall not have preemptive rights and cumulative voting is not permitted for any stockholders.

**ARTICLE VII  
BOARD OF DIRECTORS**

7.1 The corporate powers shall be exercised by or under the authority of, and the business and affairs of the Cooperative shall be managed under the direction of the Board which shall be elected in accordance with the Cooperative's Bylaws, as may be amended from time to time. The incorporators shall designate the initial board of directors, which shall consist of not less than three (3) directors.

7.2 In addition to those factors enumerated in C.R.S. § 7-58-820, with respect to any matter before the Board for a vote, consideration or other action, each director serving on the Board (each a "*Director*" and collectively, the "*Directors*") shall be entitled to consider the following factors, among any other factors such Director deems relevant, in connection with determining the best interests of the Cooperative and the Stockholders with respect to such matter:

- (a) the near-term, mid-term and long-term prospects and interests of the Cooperative and the Members;
- (b) the social, economic, community, creative, legal and other effects the determination of such matter may have on those materially affected by the Cooperative's conduct, including: (i) current and past Members; (ii) current and retired employees; (iii) customers, vendors, suppliers, subcontractors, independent contractors, strategic partners and joint venturers; and (iv) the communities in which the Cooperative operates;
- (c) the effect the determination of such matter may have on the environment and the economy of the community, state and region in which the Cooperative operates; and
- (d) whether the determination of such matter advances the Cooperative's purposes, as defined in Article IV above.

7.3 Notwithstanding the foregoing and except as specifically provided in the ULCAA, nothing set forth in Section 7.2 above is intended to or shall:

- (a) create any additional fiduciary or other duties of any kind on the part of the Cooperative or any Director owed to the Stockholders or any of the parties specified in Section 7.2 above;
- (b) increase or expand the liabilities of the Cooperative or any Director or otherwise limit any defenses available to the Cooperative or any Director in connection with any claims, legal actions, lawsuits or other proceedings; and
- (c) create any additional or special rights or causes of action in favor of the Stockholders or any other third party, including without limitation, any of the third parties specified in this Section 7.2 above.

7.4 The directors shall have full power and authority to determine the terms and manner of issue, including, but not limited to, the consideration therefor, and to issue or cause the issue of all shares of capital stock of the Cooperative now or from time to time hereafter authorized.

7.5 Each director or officer of the Cooperative shall in the performance of his or her duties, be fully protected in relying in good faith upon the books of account of the Cooperative, reports made to the

Cooperative by and of its officers or employees or by counsel, accountants, appraisers or other experts or consultants selected with reasonable care by the directors or officers of the Cooperative or upon other records of the Cooperative.

**ARTICLE VIII  
LIMITATION ON DIRECTOR LIABILITY**

Subject to C.R.S. § 7-58-820 and Article VII, a Director shall not be personally liable to the Cooperative or to the Stockholders for monetary damages for breach of fiduciary duty as a Director; except that this Article VIII shall not eliminate or limit the liability of a Director to the Cooperative or to the Stockholders for monetary damages otherwise existing for (a) any breach of the Director's duty of loyalty to the Cooperative or to the Stockholders; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) acts specified in Section 7-108-403 of the Colorado Business Corporation Act; or (d) any transaction from which such Director directly or indirectly derived any improper personal benefit. A disinterested director's failure to satisfy section 7-101-506 of the Act does not, for the purposes of section 7-108-401 or article 109 of title 7 of the Colorado Revised Statutes, constitute an act or omission not in good faith or a breach of the duty of loyalty. If the Colorado Business Corporation Act is hereafter amended to eliminate or limit further the liability of a Director, then, in addition to the elimination and limitation of liability provided by the preceding two sentences, the liability of each Director shall be eliminated or limited to the fullest extent permitted by the Colorado Business Corporation Act as so amended. Any repeal or modification of this Article VIII shall not adversely affect any right or protection of a Director under this Article VIII, as in effect immediately prior to such repeal or modification, with respect to any liability that would have accrued, but for this Article VIII, prior to such repeal or modification.

**ARTICLE IX  
INDEMNIFICATION**

Pursuant to C.R.S. § 7-58-901(1), the Cooperative shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person, and the estate and personal representative of any such person, against all liability and expense (including attorney's fees) incurred by reason of the fact that he or she is or was a Director or officer of the Cooperative or, while serving as a Director or officer of the Cooperative, he or she is or was serving at the request of the Cooperative as a Director, officer, partner, trustee, employee, fiduciary, or agent of, or in any similar managerial or fiduciary position of, another domestic or foreign Cooperative or other individual or entity or of an employee benefit plan. The Cooperative shall also indemnify any person who is serving or has served the Cooperative as Director, officer, employee, fiduciary or agent, and the estate and personal representative of any such person, to the extent and in the manner provided in any bylaw, resolution of the Board or the Stockholders, contract, or otherwise, so long as such provision is legally permissible. Notwithstanding anything to the contrary set forth in this Article IX, such indemnity shall not extend to conduct not undertaken in good faith to promote the best interests of the Cooperative, nor to any recklessness or willful misconduct; and, provided further, that this indemnification shall be limited to the total assets of the Cooperative.

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