

**ARTICLES OF INCORPORATION
OF
WAUNETA COOPERATIVE GROCERY STORE**

To further the purpose of organizing as a cooperative corporation pursuant to *Neb. Rev. Stat. § 21-1301 et. seq.*, and *Neb. Rev. Stat. § 21-201 et seq.*, the following Articles of Incorporation are adopted.

ARTICLE I
Name

The name of this Cooperative shall be: **Wauneta Cooperative Grocery Store**

ARTICLE II
Registered Office and Registered Agent

The registered office of this Cooperative shall be 266 Bodeman Park Road, Wauneta, Nebraska 69045. The registered agent at such address shall be Evelyn Skelton.

ARTICLE III
Purposes and Powers

Section 1. The purposes for which this Cooperative is organized are:

- a. To buy, sell, handle, ship, manufacture, process, grade, market, store and warehouse food products, and related grocery store items, and to carry on any related activity or business and to act as agent, broker, or representative for its stockholders and patrons.
- b. To obtain and disseminate information to its stockholders and patrons concerning the Cooperative, more efficient product marketing, the use of food products, supplies and implements, and other matters relating to the Cooperative.
- c. To generally pursue any course of conduct and activity which cooperative corporations organized under the laws of the State of Nebraska can lawfully pursue.

Section 2. This Cooperative shall have and exercise all of the powers and rights conferred upon corporations organized and existing pursuant to the provisions of *Neb. Rev. Stat. § 21-1301 et seq.*, and *Neb. Rev. Stat. § 21-201 et seq.*, and any enlargements of such powers conferred by subsequent legislative acts. In addition thereto, the Cooperative shall have and exercise all the powers and rights as are necessary, suitable, proper, convenient or expedient to the attainment of the purposes of the Cooperative.

ARTICLE IV
Capitalization

Section 1. The authorized capital stock of this Cooperative shall be _____ Hundred Thousand Dollars (\$____00,000.00) divided into _____ Hundred (____00) shares of voting common stock with par value of _____ Dollars (\$____.00) each, and _____ (____00) shares of non-voting preferred stock with a par value of _____ Dollars (\$____.00) each which shall be fully paid when issued. The preferred stock shall be non-voting. The Board of Directors is authorized to determine the qualifications, preferences, and limitations of such non-voting preferred shares, and to provide for the issue and sale or other distribution thereof in one or more issues. Dividends on the capital stock shall be fixed but shall not exceed eight percent (8%) per annum of the amount actually paid thereon.

Section 2. No stockholder shall own, either directly or indirectly, more than one share of common stock and five percent (5%) of the authorized capital stock of the Cooperative. The Board of Directors of the Cooperative shall have the authority to further limit the number of shares which may be held by any stockholder, and may require that any equity capital in excess of such limit be transferred into Member's Equity Credits of equal face value.

Section 3. Each stockholder is entitled to one (1) vote in the affairs of this Cooperative.

Section 4. The common stock of this Cooperative may be purchased, owned and held only by persons, who patronize the Cooperative annually and satisfy the other qualifications for continuing ownership of such stock, as provided for in the By-Laws.

Section 5. Any patron of this Cooperative ineligible to hold common stock may be issued a Certificate of Participation, granting such patron all the rights and privileges of a stockholder, except that the holders of Certificates of Participation shall not be eligible to vote. Such patron shall be deemed a participating patron.

Section 6. No stockholder shall have a preemptive right to acquire unissued shares of the capital stock of this Cooperative.

ARTICLE V
Duration

The existence of this Cooperative shall be perpetual.

ARTICLE VI
Directors

Section 1. The number of members of the Board of Directors and the manner of their election shall be set forth in the By-Laws.

Section 2. No director shall have personal liability to the Cooperative or its stockholders for monetary damages for breach of fiduciary duty as a director, provided, however, this provision shall not eliminate the liability of the director for:

- a. Any act or omission not in good faith which involves intentional misconduct or a knowing violation of law;
- b. Any transaction from which the director derived an improper direct or indirect financial benefit;
- c. Paying a dividend or approving a stock repurchase which was in violation of law;
- d. Any act or omission which violates a declaratory or injunctive order obtained by the Cooperative or its stockholders; and
- e. Any act or omission occurring prior to the date this provision becomes effective.

The foregoing provision shall not limit the Cooperative from providing any other indemnification permitted by law nor shall it be deemed inclusive of any other rights to which the director may be entitled under any By-Law, agreement, or vote of stockholders. The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director of the Cooperative against any liability asserted against such person or incurred by such person in such capacity or arising out of the status as a director whether the Cooperative would have the power to indemnify such person against such liability under the provisions of law or this Article.

Section 3. No person shall lose status as a director covered by the provisions of Section 2 hereof by reason of serving as the President, Vice-President, Secretary, or Treasurer of the Cooperative. The persons holding such offices do not exercise management control or functions for the Cooperative and their activities are limited to serving as officers of the Board of Directors.

ARTICLE VII By-Laws

The stockholders shall adopt By-Laws for the Cooperative, and may authorize the Board of Directors to amend the By-Laws.

ARTICLE VIII Distribution of Earnings

Section 1. After deducting all expenses which are lawfully deductible or excludable in determining the margins of the Cooperative, the Board of Directors shall establish and deduct reasonable amounts for reserves, at such rates as shall be provided in the By-Laws.

Section 2. From the remaining net margins, the Board of Directors may pay dividends on the paid-up capital stock at a rate fixed in the By-Laws not to exceed eight percent (8%) per annum. The dividends on capital stock shall be noncumulative from year to year.

Section 3. The remaining net margins shall belong to and be held for the patrons of the Cooperative, and shall be apportioned among them on patronage basis and paid to them at the close of each fiscal year, as provided in the By-Laws. The By-Laws shall set forth a

detailed statement of the methods to be followed in distributing savings.

ARTICLE IX
Amendments

These Articles of Incorporation may be amended by a two-thirds (2/3) vote of the stockholders present and voting on such amendments at a meeting called for that purpose.

Dated: _____, 2025.

WAUNETA COOPERATIVE
GROCERY STORE

Incorporators:

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TEN INCORPORATORS ARE REQUIRED. PLEASE LIST NAMES AND ADDRESSES