

**ARTICLES OF INCORPORATION
FOR
MINNESOTA BOULDERING COOPERATIVE**

**ARTICLE I
NAME**

The name of this cooperative association (the “Cooperative”) is Minnesota Boulderling Cooperative. It is a cooperative organized under Minnesota Cooperative Associations Act, Minnesota Statutes Chapter 308A.

**ARTICLE II
PURPOSE**

A. The Cooperative is organized to: (i) provide and operate rock climbing oriented fitness facilities and services to its members (the or its “Members”, and each a “Member”) and its non-member patrons; and (ii) operate on a cooperative basis for the mutual benefit of its Members.

B. The Cooperative may engage in any other activity, including performance of related services for its Members, for which a cooperative association may be organized under the Minnesota Cooperative Associations Act, Minnesota Statutes Chapter 308A.

**ARTICLE III
DURATION**

The existence of the Cooperative shall be perpetual.

**ARTICLE IV
REGISTERED AGENT AND REGISTERED OFFICE**

The address of the registered office of the Cooperative is:

2201 Lambert Ave
Mounds View, Minnesota 55112

and its registered agent at that address is [agent for service of process and notice, etc.].

**ARTICLE V
MEMBERSHIP**

A. Authorized Capital Stock. The Cooperative is organized with capital stock. The authorized capital stock of the Cooperative consists of three classes of stock:

(1) 100,000 shares of membership common stock, (“Membership Stock”), with a par value of \$25.00 per share;

(2) 5,000,000 shares of Class B stock ("Class B Stock"), with a par value of \$1.00 per share; and

(3) 200,000 shares of Class C stock ("Class C Stock"), with a par value of \$25.00 per share.

Except as may be limited by applicable law, these Articles of Incorporation (these "Articles") or the Cooperative's bylaws (the "Bylaws"), the board of directors of the Cooperative (the "Board of Directors") has the authority and power to establish and issue one or more than one series of stock within a class, to set forth the designation of such stock, to fix the relative rights, preferences, privileges and limitations of each such series of stock; and to establish and maintain such capital reserve, nonstock revolving capital, unit retains, and other types of equity credits as further provided in these Articles and the Bylaws. The capital stock of the Cooperative shall be non-assessable.

B. Membership and Membership Stock.

(1) Membership in the Cooperative is restricted to the holders of the Membership Stock. Each Member of the Cooperative must purchase one and only one share of Membership Stock at its par value. Only holders of Membership Stock have voting power in the Cooperative. Holders of the Membership Stock must meet the requirements and conditions of membership as provided in these Articles and in the Bylaws. Each holder of Membership Stock is entitled to one and only one vote in the affairs of the Cooperative.

(2) The Membership Stock is transferable only with the approval of the Board of Directors and then only to persons eligible to hold the Membership Stock. No purported assignment or transfer of any Membership Stock to any person not eligible to hold such stock passes any rights or privileges on account of such stock. No holder of Membership Stock has any right whatsoever to require the redemption of its Membership Stock. The Membership Stock may be redeemed only at the option of the Board of Directors in accordance with the provisions of these Articles and the Bylaws. The Board of Directors has the authority to establish a redemption policy on terms and conditions it deems advisable in its sole discretion; provided, however, that the Membership Stock may never be redeemed for more than the value of the consideration for which the Membership Stock was issued.

(3) The Board of Directors has the authority to establish such additional terms and conditions, qualifications, methods of acceptance, duties, rights and privileges of holding Membership Stock as it may from time to time deem advisable. The Board of Directors may refuse membership or provide conditional membership to an applicant in its sole discretion.

C. Class B Stock. Class B Stock may be issued at the discretion of the Board of Directors in substitute of cash payments for patronage refunds. Holders of Class B Stock shall have no voting power and no dividends shall be paid thereon. No holder of Class B Stock has any right whatsoever to require the redemption of its Class B Stock. Class B Stock may be redeemed only at the option of the Board of Directors in accordance with the provisions of these

Articles and the Bylaws. The Board of Directors has the authority to establish a redemption policy on terms and conditions it deems advisable in its sole discretion; provided, however, that the Class B Stock may never be redeemed for more than the value of the consideration for which the Class B Stock was issued.

D. Class C Stock. Class C Stock may be issued to any person or entity. Holders of Class C Stock have no voting rights. Dividends on Class C Stock may be paid when, as and if declared by the Board of Directors but only out of funds legally available for that purpose. Dividends on Class C Stock shall not exceed eight percent (8%) annually on the value of the consideration for which the stock was issued. Dividends on Class C Stock shall be noncumulative. Class C Stock may be transferred only with the approval of the Board of Directors. Class C Stock may be redeemed in whole or in part at any time, as provided in the Bylaws or as determined by the Board of Directors upon the issuance of Class C Stock. The Board of Directors has the authority and power to establish and issue one or more than one series of Class C Stock, to set forth the designation of series of such stock, and to fix the relative rights, preferences, privileges and limitations of each series of Class C Stock.

D. Ineligibility of a Membership Stockholder. As may be more particularly provided for in the Bylaws, if the Board of Directors finds that any Membership Stock of the Cooperative has come into the hands of any person who is not eligible to own Membership Stock or who has otherwise become ineligible for membership in the Cooperative, the Board of Directors has the right, at its option to: (i) redeem the Membership Stock at its par value; or (ii) convert the Membership Stock into a nonvoting certificate of interest or other nonvoting equity credit at an amount equal to the par value of the Membership Stock. Upon such redemption or conversion, such ineligible holder of Membership Stock ceases to be a member of the Cooperative and ceases to have voting rights in the Cooperative.

E. Member Classes. The Cooperative is a membership cooperative that shall have at least one class of Members. The Board of Directors shall have discretion to create such additional classes of Members, with such designations, and such relative rights, preferences, privileges and limitations pursuant to procedures detailed in the Bylaws.

ARTICLE VI **DIRECTORS**

A. The government of the Cooperative shall be vested in the Board of Directors as prescribed in the Bylaws.

B. The initial Board of Directors (“Initial Board”) shall consist of the directors (the “Initial Directors”) as set forth on Exhibit A. The Initial Directors may, by a majority vote of then-current directors, appoint additional directors up to a total of nine (9) directors to serve on the Initial Board at any time following the organization of the Cooperative. The Initial Board shall serve for a period of two (2) years (or until their successors are elected and qualified) from the execution date of these Articles, at which time a permanent Board of Directors shall be elected by the Members as set forth in the Bylaws.

C. Vacancies in the Board of Directors may be filled by the remaining directors on the Board of Directors. The person or persons so appointed shall hold office only until the next annual meeting of the Members or until their successors have been elected and qualified.

D. As permitted by the Minnesota Statutes, a director of the Cooperative shall not be personally liable to the Cooperative, its Members or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- (1) for a breach of the director's duty of loyalty to the Cooperative;
- (2) for acts or omissions that are not in good faith or involve intentional misconduct or a knowing violation of the law; or
- (3) for a transaction from which the director derived an improper benefit.

It is the intention of the Members to eliminate or limit the personal liability of the directors of the Cooperative to the greatest extent permitted under Minnesota law. If amendments to the Minnesota Statutes are passed after this section becomes effective which authorize cooperatives to act to further eliminate or limit personal liability of directors, then the liability of the directors of the Cooperative shall be eliminated or limited to the extent permitted by the Minnesota Statutes, as amended. Any repeal or modification of this section by the Members of the Cooperative shall not adversely affect any right of or any protection available to a director of the Cooperative which is in existence at the time of such repeal or modification.

ARTICLE VII **ORGANIZER**

The incorporation for the Cooperative is [name of incorporator], an individual resident of Minnesota, whose address is 2201 Lambert Ave, Mounds View, MN 55112.

Dated: _____, 2010

[name of incorporator]
Incorporator

EXHIBIT A

INITIAL BOARD OF DIRECTORS

Name

Address

Term Expires