

**ARTICLES OF INCORPORATION
MINNESOTA CLIMBING COOPERATIVE**

**ARTICLE I
GENERAL**

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

B. The principal place of business of the Cooperative shall be such place as the Board of Directors may from time to time determine. The Cooperative may maintain offices and places of business at such other place or places within or outside the State of Minnesota as the Board of Directors deems advisable.

**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:

1519 Adams Street NE, Apartment 3, Minneapolis, Minnesota 55413,

and its registered agent at that address is Jacob Gerber.

**ARTICLE V
MEMBERSHIP**

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

(1) 1,000,000 shares of Class B stock ("Class B Stock"), with a par value of \$1.00 per share; and

(2) 50,000 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.

(1) Members must meet the requirements and conditions of membership as provided in the Bylaws. Each Member is entitled to one vote in the affairs of the Cooperative which are put to the Members for vote.

(2) Membership in the Cooperative is non-transferable.

(3) The Board of Directors has the authority to establish such additional terms and conditions, qualifications, methods of acceptance, duties, rights and privileges of Membership 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. Class B Stock shall have no voting power and no dividends shall be paid thereon. Class B Stock may be transferred only with the approval of the Board of Directors. 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 Member. Class C Stock shall have no voting power. 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. No holder of Class C Stock has any right whatsoever to require the redemption of its Class C Stock. 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, including without limitation

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. Each person 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
INCORPORATOR

The incorporator of the Cooperative is Jacob Gerber, an individual resident of Minnesota, whose address is 1519 Adams Street NE, Apartment 3, Minneapolis, Minnesota 55413.

Dated: October __, 2010

Jacob Gerber
Incorporator

EXHIBIT A

INITIAL BOARD OF DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Term Expires</u>
Micah Dyrud	2220 Midland Grove Rd. Apt. 101 Roseville, MN 55113	October __, 2012
Jacob Gerber	1519 Adams Street NE, Apt. 3 Minneapolis, MN 55413	October __, 2012
Matthew Hainley	4724 Florida Ave N Crystal, MN 55428	October __, 2012
Mary Elizabeth Horn	2832 36 th Ave S Minneapolis, MN 55406	October __, 2012
Kristian Anthony Johnson	2201 Lambert Ave Mounds View, MN 55112	October __, 2012
Lynn Sheri Johnson	2201 Lambert Ave Mounds View, MN 55112	October __, 2012
Jim Merli	700 Ottawa Ave St. Paul, MN 55107	October __, 2012
Joe Moskowitz	4322 Longfellow Ave Minneapolis, MN 55407	October __, 2012
Aaron J. Zirbes	3323 Buchanan St NE Minneapolis, MN 55418	October __, 2012