

**ARTICLES OF RESTATEMENT OF  
THE ARTICLES OF INCORPORATION OF  
CHATHAM MARKETPLACE, INC.**

Pursuant to Section 55-10-07 of the North Carolina Business Corporation Act, the undersigned cooperative corporation hereby submits these Articles of Restatement for the purpose of amending its Articles of Incorporation and also for the purpose of integrating into one document its original Articles of Incorporation and all amendments thereto:

1. The name of the cooperative corporation is Chatham Marketplace, Inc.
2. Attached hereto as Exhibit A are the Amended and Restated Articles of Incorporation of Chatham Marketplace, Inc., which contain an amendment to the Articles of Incorporation requiring approval of a majority of all shareholders of the cooperative corporation.
3. The attached Amended and Restated Articles of Incorporation were approved and adopted by the affirmative vote of a majority of the shareholders of Chatham Marketplace, Inc. on May 5<sup>th</sup>, 2009, in the manner prescribed by Subchapter IV of Chapter 54 of the General Statutes of North Carolina and other applicable law.
4. These Articles of Amendment and Restatement will become effective upon filing.

IN WITNESS WHEREOF, I have hereunto set my hand this 20<sup>th</sup> day of May, 2009.

**CHATHAM MARKETPLACE, INC.**

By: Kathleen R Conroy

Name: Kathleen R. Conroy

Title: President, Board of Directors

EXHIBIT A

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
CHATHAM MARKETPLACE, INC.**

We, the undersigned natural persons of age eighteen years or more, do hereby make and acknowledge these Amended and Restated Articles of Incorporation for the purpose of forming a cooperative corporation under Subchapter IV of Chapter 54 of the General Statutes of North Carolina.

**Article I: Name**

The name of this cooperative corporation is Chatham Marketplace, Inc. (the “**Corporation**”).

**Article II: Duration**

The duration of this Corporation shall be perpetual.

**Article III: Purposes**

The Corporation is formed for the following purposes:

- (1) To engage in the business of selling high quality food and other products with a special emphasis on organic merchandise and locally grown and produced items, all for the purpose of promoting good will and integration within the community;
- (2) To develop an attractive and successful model for community and worker ownership in food retailing and local economic development;
- (3) To create jobs for all employees of the cooperative that are fulfilling, well-paid and educational; and
- (4) To engage in any other lawful act or activity that corporations may perform under Chapter 54 of the General Statutes of North Carolina, Subchapter IV.

**Article IV: Ownership and Capital Stock**

Section 1. Upon the filing of these Amended and Restated Articles of Incorporation, the total number of shares of capital stock which the Corporation shall have authority to issue is One Hundred Six Thousand (106,000), of which (i) One Hundred Thousand (100,000) shares shall be common stock, no par value per share (the “**Common Stock**”), (ii) One Thousand (1,000) shares shall be Series A Preferred Stock, no par value per share (the “**Series A Preferred Stock**”), and Five Thousand (5,000) shares shall be Series B Preferred Stock, no par value per share (the “**Series B Preferred Stock**”).

Section 2. Each employee of this Corporation, whether full-time or part-time, may purchase only one share of Common Stock. Any employee who purchases one share of Common Stock shall be an owner of this Corporation. Shares of Common Stock of employees are nontransferable. Each employee owner of this Corporation will be entitled only to one vote in member meetings and to patronage dividends as provided in the bylaws of this Corporation.

Section 3. Patrons of this Corporation, as defined in the bylaws, may purchase no more than one share of Common Stock at the prices set from time to time by the Board of Directors. Such patrons who purchase Common Stock in the Corporation shall be consumer owners of the Corporation. Each consumer owner shall be entitled only to one vote in member meetings. Such consumer owners shall be entitled to patronage dividends as provided in the bylaws of this Corporation.

Section 4. The designations, preferences, and rights of the shares of the Series A Preferred Stock and the Series B Preferred Stock (sometimes collectively referred to hereinafter as the “**Preferred Stock**”) are set forth as follows:

(a) Right to Purchase. Only owners of Common Stock shall be entitled to purchase shares of Preferred Stock.

(b) Voting. Holders of Series A Preferred Stock and Series B Preferred Stock shall have no voting rights.

(c) Dividends. The holders of shares of Preferred Stock, *pari passu*, shall be entitled to receive, when, as and if declared by the Board of Directors in their sole discretion, out of funds legally available therefor, dividends at a rate per share to be determined in the sole discretion of the Board of Directors. Any such dividend shall be declared and distributed among the holders of Preferred Stock pro rata based on the number of shares of Preferred Stock held thereby. Dividends are not cumulative.

(d) Liquidation. The holders of Preferred Stock shall have the following rights upon liquidation:

(i) In the event of a liquidation, dissolution, or winding up of the Corporation, the holders of the Series A Preferred Stock and Series B Preferred Stock shall be entitled to receive, on a *pari passu* basis, out of the assets of the Corporation available for distribution to its shareholders (whether from capital or surplus), prior to any payment to the holders of the Common Stock, an amount equal to, with respect to the Series A Preferred Stock, the sum of \$500.00 per share plus all declared but unpaid dividends thereon, and with respect to the Series B Preferred Stock, the sum of \$100 per share plus all declared but unpaid dividends thereon. After payment in full of such liquidation preferences, any assets available for distribution shall be distributed to the holders of the Common Stock, and the holders of Preferred Stock shall not be entitled to any further participation in the remaining assets of the Corporation. If, upon any such liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation are not sufficient to pay in full the amounts so payable to the holders of Preferred Stock, the holders of all shares of Preferred Stock shall participate ratably in the distribution of such assets in proportion to their respective full liquidation preferences.

(ii) For the purposes of this subsection (d), any merger or consolidation of the Corporation into or with any other corporation or entity, or a sale, conveyance, mortgage, transfer, license, pledge, lease or other disposition of all or substantially all of the assets of the Corporation, shall be deemed to be a liquidation, dissolution, or winding up of the Corporation, unless the shareholders of the Corporation immediately prior thereto shall, immediately thereafter, hold as a group the right to cast at least a majority of the votes of all holders of voting securities of the resulting or surviving Corporation or entity on any matter on which any such holders of voting securities shall be entitled to vote.

(iii) For purposes of this subsection (d), if any assets distributed to shareholders upon liquidation of the Corporation consist of property other than cash, the amount of such distribution shall be deemed to be the fair market value thereof at the time of such distribution, as determined in good faith by the Board of Directors of the Corporation.

4. Conversion. The Preferred Stock shall not be convertible.

5. Redemption. Shares of Preferred Stock may be redeemed if and only if authorized by the Board of Directors in its sole discretion. The Board of Directors shall not authorize redemption of any shares of Preferred Stock unless the Corporation has sufficient capital reserve and working assets, determined by the Board of Directors in its sole discretion pursuant to applicable law.

#### **Article V: No Pre-Emptive Rights**

No stockholder shall have pre-emptive rights to purchase shares of stock or other rights to acquire or subscribe for additional shares or securities of the Corporation authorized to be issued.

#### **Article VI: Minimum Capitalization**

The minimum amount of consideration to be received by the Corporation for its shares before it shall commence business is \$1.00 in cash or property of equivalent value.

#### **Article VII: No Personal Liability**

No incorporator or member shall be responsible for or individually liable for any debts or obligations of this Corporation.

#### **Article VIII: Registered Office and Agent**

The address of the registered office of the Corporation in the State of North Carolina is 104 Hawk Nest Trail, Pittsboro, North Carolina 27312 and the name of its registered agent at such address is Melissa Frey.

#### **Article IX: Principal Place of Business**

The principal place of business of this Corporation shall be: 104 Hawk Nest Trail, Pittsboro, North Carolina 27312, Chatham County.

### **Article X: Directors**

The business and affairs of this Corporation shall be managed by a board of directors, the composition of which shall be as provided in the bylaws. The names and addresses of the five persons who are to serve as the initial board of directors until their successors are elected and have been qualified are:

Name	Address
Melissa Frey	104 Hawk Nest Trail Pittsboro, NC 27312
Donna Kleinert	160 Pinyon Circle Pinehurst, NC 28387
Diane Swan	535 Dovetail Lane Bear Creek, NC 27207
Peter B. Harkins	4560 Old Graham Road Pittsboro, NC 27312
Cathy Jones	1061 White Cross Road Chapel Hill, NC 27516

### **Article XI: Amendment**

These articles of incorporation may be amended by a majority vote of all the members of the Corporation at any regular or special membership meeting called for the specific purpose of amending the Articles of Incorporation, or by a majority vote of the Board of Directors.

### **Article XII: Incorporators**

The names and addresses of the incorporators are:

Melissa Frey	104 Hawk Nest Trail, Pittsboro, NC 27312
John F. Graybeal	3396 Alston Chapel Road, Pittsboro, North Carolina 27312