



Sam Walker

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Elaine F. Marshall
North Carolina Secretary of State
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**State of North Carolina
Department of the Secretary of State**

PIEDMONT PROGRESSIVE FARMERS COOPERATIVE

**COOPERATIVE ASSOCIATION
ARTICLES OF INCORPORATION**

Pursuant to subchapter IV of Chapter 54 the General Statutes of North Carolina the undersigned natural persons submit these Articles of Incorporation for the purpose of forming a cooperative association.

1. The name of the cooperative association is: **Piedmont Progressive Farmers Cooperative**
2. The purposes of this association are for the mutual benefit of its members to:
 - To provide opportunities for disadvantaged farmers
 - Aggregate and sell the farm products of its members;
 - Provide training, peer support, and other resources to help members improve the volume and quality of their farm products; and
 - Other similar activities to benefit the members, their families, and their communities.
3. The name and address of each Incorporator executing these articles of incorporation is as follows:

Antonio Foster
933 Ashland Road
Ruffin, NC 27326

Amanda Hodges
1628 Allison Road
Ruffin, NC 27326

Rick McVey
5098 Hodges Dairy Road
Yanceyville, NC 27379

Sean Pennix
8026 NC Highway 119 S
McLeansville, NC 27302

Thomas Savage
609 Whitmore Road
Hurdle Mills, NC 27541

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609 Whitmore Road
Hurdle Mills, NC 27541

4. The street and mailing address and county of the initial registered and principal office of the cooperative association is:

1628 Allison Road
Ruffin, NC 27326

Caswell County

5. The name of the initial registered agent is: **Amanda Hodges**

6. **Cooperative.** The cooperative association shall have a cooperative form of ownership and management. All members have an equal investment in the cooperative association, in an amount established or later amended according to the terms of the Bylaws. Each member shall have a single share of ownership interest and have a single, equal vote in the governance of the cooperative association. No owner shall have any claim against the assets of the cooperative association other than for the amount of such owner's investment in the cooperative association.

7. **Capital Ownership.** Each owner shall have a single unit share of ownership interest and have a single, equal vote in the governance of the cooperative association. The cooperative association may have multiple classes of membership and common shares. No owner shall have any claim against the assets of the cooperative association other than for the amount of such owner's investment in the cooperative association

- a. *Common Shares.* The Cooperative shall be organized with shares. The amount of authorized capital of the association shall be tenthousand (10,000) shares of common stock at par value of \$100.00 per share. Shares shall be issued only to persons eligible for, and admitted to, ownership in the cooperative (the terms "owner" and "ownership" corresponding to the statutory designations "member" and "membership" respectively). Common shares shall be entitled to no dividends or other monetary return on investment.
- b. *General Shares.* The class of General Shares consists of 9,500 common shares. General Shares of the cooperative may be held only by farmers and other producers of agricultural goods who supply the Cooperative. General owners are entitled to all of the rights and privileges accorded Producer Share owners as defined by the Bylaws. Owners of General Shares are entitled to vote on all matters accorded by the Bylaws to the class of General Shares and to matters accorded to holders of all Common Shares.
- c. *Sponsor Shares.* The class of Sponsor Shares consists of 10 common shares. Sponsor shares may only be held by a nonprofit corporation that has federally recognized tax exempt status pursuant to section 29 U.S.C. 501(c)(3). Sponsor Shares may not in aggregate hold more than 49.0% of the total capital equity of the Cooperative Association. The class of Sponsor Shares may elect no more than one Director to the Board of Directors.
- d. *Preferred Shares.* (i) The Board of Directors is authorized to create by affirmative vote of two-thirds of Directors holding office, up to three classes of preferred capital shares with terms, conditions and price of shares as specified in the resolution of the Board authorizing such issuance. Preferred shares may bear par value of no more than \$1,000.00 per share. No class of preferred shares shall consist of more than 10,000 shares. The authorized capital of all classes of preferred shares shall at no time exceed \$100,000,000.00.

(ii) *Ownership Restrictions.* Preferred shares of the Association may only be issued to North Carolina residents, shall carry no voting rights, and may not be transferred to any party other than to the Cooperative with the consent of the Board of Directors. Preferred shares may not be transferred in any other manner.

(iii) **Preferred Share Dividends.** The holders of preferred shares shall be entitled to receive dividends only upon declaration by the Board of Directors out of funds legally available for the payment of dividends. For the purposes of this Section, the term "dividends" shall include any pro rata distribution by the Cooperative of cash or other property or assets whether or not paid out of capital, surplus or earnings.

(iv) **Preferred Share Redemption Rights.** Preferred shares may be redeemable in whole or in part, pro rata, at the option of the Cooperative by resolution of the Board of Directors at any time, or from time to time at an amount equal to the purchase price of each share.

8. **Liability.** No incorporator or member shall be responsible for or individually liable for any debts or other claims against the cooperative association.

9. **Applicable Law.** Pursuant to N.C. General Statutes § 54-117 and § 55-6-22, no incorporator or share purchaser is liable to the corporation or its creditors with respect to the shares except to pay the consideration for which the shares were authorized to be issued or specified in a subscription agreement, and unless otherwise provided in these articles of incorporation, no shareholder of this association is personally liable for the acts or debts of the corporation except that he may become personally liable by reason of his own acts or conduct.

10. **Demutualization.** The limited liability shall not demutualize or otherwise depart from a cooperative form of ownership and management without the affirmative vote of two thirds of all owners holding shares and entitled to vote.

11. **Transfer of Ownership.** An ownership share in this cooperative association, once issued, may only be transferred from an owner back to the cooperative association, unless otherwise provided in the Bylaws.

12. **Patronage.** The net earnings or losses shall be apportioned among the owners in accordance with the ratio which each owner's patronage during the period involved bears to total patronage by all owners during the period. "Patronage" is each member's participation in the business of the cooperative as measured by the member's amount of purchases, sales, business, labor, or wages through the cooperative, or other similar criteria.

13. **Dissolution.** In the event of dissolution, the assets of the association shall be distributed as follows in this order:

a. By paying its debts and expenses;

b. By returning to the owners the proportionate value of their investment up to the amount they have invested;

c. By distributing as a donation any surplus to the **PIEDMONT PROGRESSIVE FARMERS GROUP, INC.**, for education and technical assistance, to one or more cooperative associations of similar nature within the area served by this association, or other non-profit association of similar purposes.

14. **Amendment.** These Articles may be amended by affirmative vote of two thirds of owners voting by ballot or at a duly organized meeting of owners, provided the proposed amendment is described in the notice of owner meeting.

15. To the fullest extent permitted by the North Carolina law as it now stands or may later be amended, no person who serves as director or officer of this cooperative association shall be personally liable to the cooperative association or the owners for monetary damages for breach of duty as such. No amendment or repeal of this Article, nor the adoption of any provision inconsistent with this Article, shall reduce the effect of this Article with respect to any matter that occurred prior to such amendment, repeal or adoption.

16. There shall be no limit on the duration of the cooperative association.

17. These articles will be effective upon filing.

This, the 18th day of December, 2020.

Antonio Foster Amanda Hodges Rick McVey
Antonio Foster Amanda Hodges Rick McVey

Sean Pennix Thomas Savage
Sean Pennix Thomas Savage

Verification

**Caswell County
North Carolina**

I certify that the following persons personally appeared before me this day, each acknowledging to me that he or she signed the foregoing Articles of Incorporation of Piedmont Progressive Farmers Cooperative:

Antonio Foster Amanda Hodges

By: Karen W. Daniel 12-18-20
Official Signature of Notary (date)

Karen W. Daniel
Notary's printed or typed name
Notary Public

My commission expires: 04-10-21

