

# EXHIBIT A

## PROPOSED AMENDMENT AND RESTATEMENT OF FLYING BIKE COOPERATIVE BREWERY ARTICLES OF INCORPORATION

(Additions to body of Articles of Incorporation shows in underlined text; deletions indicated by "strikethrough" text.)

### **Flying Bike Cooperative Brewery** Amended and Restated Articles of Incorporation September 14, 2013

#### **ARTICLE I Name**

The name of the corporation is FLYING BIKE COOPERATIVE BREWERY.

#### **ARTICLE II Duration**

The duration of FLYING BIKE COOPERATIVE BREWERY (hereinafter "THE CO-OP") shall be perpetual.

#### **ARTICLE III Purposes**

THE CO-OP is formed on a cooperative basis for the benefit of its members. It may engage in all such activities as are incidental or conducive to attainment of the purposes of THE CO-OP and to exercise all powers now or hereafter permitted by the laws of the State of Washington for corporations formed under the Nonprofit Miscellaneous and Mutual Corporations Act, Chapter 24.06, ~~Chapter 23.86~~ RCW, or any successor statute.

#### **ARTICLE IV Membership**

##### Paragraph 1. Membership Rights

Membership in THE CO-OP shall be of one class and shall comprise the following personal, nontransferable (including by succession) rights for the lifetime of each member, subject to these Articles and Bylaws in effect from time to time:

(a) Active Membership: Active Members shall have the following rights and privileges:

- (i) to vote in all elections and proceedings submitted to the vote of the members;
- (ii) to be nominated for membership and, if elected, to serve on the Board of Directors (hereinafter the "Board");
- (iii) to serve, if appointed by the Board, on standing committees as provided for in the Bylaws;
- (iv) to participate in THE CO-OP's activities to which members are invited;

- (v) to purchase goods and services at THE CO-OP's place of business according to member benefit programs in effect from time to time;
- (vii) to receive other benefits offered to Active Members by THE CO-OP; and
- (viii) to receive surplus funds if and when distributed pursuant to Article VI herein.

(b) Inactive Membership: Inactive Members shall have all the rights and privileges of Active Members except:

- (i) the right to vote in elections and proceedings submitted to the vote of the members;
- (ii) the right to be nominated or serve on the Board or any other committee established for Active Members' participation from time to time;
- (iii) the right to purchase goods and services at THE CO-OP's place of business according to member benefit programs in effect from time to time; and
- (iv) the right to receive other benefits offered to Active Members by THE CO-OP from time to time.

(c) Affiliate Membership: Affiliate Members shall have so many of the rights and privileges of the Active Members as the Board may accord to other organizations, associations, corporations, and similar entities, or their members, whether by reciprocity or otherwise, and whether by class or on a case-by-case basis, but which rights and privileges shall not in any event include the rights to vote in any election or proceedings of THE CO-OP, to be nominated for membership or to serve on the Board, to serve on any standing committee, or to receive surplus funds pursuant to Article VI hereof.

## Paragraph 2. Requirements for Membership

(a) Active Membership: Any natural person twenty-one years or older, independent of race, nationality, political position, sex, age, religious belief, handicap, sexual preference, or marital status, is eligible to become a member of THE CO-OP upon:

- (i) making written or electronic application to THE CO-OP on its prescribed form which shall include subscription to cooperative principles;
- (ii) payment of a nonrefundable application fee and purchase of a membership unit as provided for in the Bylaws; and
- (iii) acceptance of such application by the Secretary of THE CO-OP. Upon acceptance by the Secretary, the applicant will be issued a membership certificate evidencing ownership of one membership unit and shall become an Active Member entitled to all of the rights and privileges thereof.

(b) Inactive Membership: An Active Member shall be automatically converted to an Inactive Member if such member fails to purchase at least one dollar (\$1.00) worth of goods or services from the cooperative program at THE CO-OP's place of business during the previous calendar year. An Inactive Member will again become an Active Member if such member purchases at least one dollar (\$1.00) worth of goods or services from the cooperative program at THE CO-OP's place of business or submits a written request to THE CO-OP for reactivation (subject to the provisions of Paragraph 3). This subparagraph shall only apply when THE CO-OP has offered goods and/or services for purchase through the cooperative program during the entire previous calendar year and such member has been a member of THE CO-OP for the entire previous calendar year.

(c) Employee Membership: For so long as, and only so long as, they are employees, all

employees of THE CO-OP shall be ex-officio Active Members, and termination of employment shall terminate membership on this basis; provided, however, employees may also be Active Members of THE CO-OP independent of employment, if they comply with all the provisions of subparagraph (a), above.

(d) Affiliate Membership: The Board may grant affiliate memberships on such terms and conditions as it shall determine and may alter or revoke the same at any time.

### Paragraph 3. Termination of Membership

Membership in THE CO-OP may be terminated for the following reasons:

- (a) Withdrawal: Members may voluntarily terminate their membership at any time.
- (b) Ineligibility: Members that become ineligible for membership based on the requirements set forth in these Articles or the Bylaws and cannot, or will not, take action to become eligible, shall have their membership terminated.
- (c) Expulsion: Members may have their membership terminated for causes including, but not limited to:
  - (i) intentionally or repeatedly violating any provision of THE CO-OP's Articles of Incorporation, Bylaws, or Board policies;
  - (ii) taking actions that will impede THE CO-OP from accomplishing its purposes;
  - (iii) taking or threatening actions that adversely affect the interests of THE CO-OP or its members;
  - (iv) willfully obstructing any lawful purpose or activity of THE CO-OP; or
  - (v) breaching any contract with THE CO-OP.
- (d) Death: Upon the death of a member their membership shall terminate. Membership is not transferable to any personal representative, estate or heir(s).
- (e) Inactivity: Any member that becomes an Inactive Member and remains an Inactive Member for a period of three years shall have their membership automatically terminated.

### Paragraph 4. Redemption of Membership Certificate

Upon termination of membership for reasons other than Death or Inactivity, a member's membership unit shall be redeemable upon such manner and terms set forth in the Bylaws.

### Paragraph 5. Voting

Each Active Member shall be entitled to only one vote, notwithstanding that such member may be both a paid member and an employee member. Active Members shall be determined as of the date on which a resolution to submit a proposal or subject of voting to the membership is passed or, if the proposal or subject of voting be submitted by initiative petition, as of the date on which such petition is filed with the Board or at such later date as the Board determines. All such matters, including the election of Board members, shall be submitted to the Active Members pursuant to a resolution passed by the Board or pursuant to an initiative petition filed with the Board. The right to submit and procedure for submitting an initiative measure shall be subject to any provisions of the Bylaws relating thereto.

## Paragraph 6. Annual Meeting

The annual meeting of the members of THE CO-OP may be held at such times and places as prescribed in the Bylaws. All votes shall be on forms prepared and provided by THE CO-OP.

## Paragraph 7. Notices and Voting

Whenever proposals or board members are to be voted upon, such vote may be taken by mail or electronically if the name of each candidate and the text of each proposal to be so voted upon are set forth in a writing accompanying or contained in the notice of the meeting. Notices, including without limitation electronic notices, of annual, regular or special meetings of the members shall be given as provided in the Bylaws.

Quorum requirements, both for meetings and proposals to be voted on by mail or electronically, shall be set forth in the Bylaws, but in any event shall not be less than the percentage of Active Members required by law.

## ARTICLE V Capital Stock

~~THE CO-OP is not a stock corporation and is organized on a membership basis.~~

### Paragraph 1. Authorized Capital Stock.

THE CO-OP is organized with capital stock. The authorized capital stock of THE CO-OP consists of: 5,000 shares of Class A Membership Stock, with such Class A Membership Stock carrying no par value per share; and 5,000,000 shares of Preferred Stock, also with no par value per share.

### Paragraph 2. Class A Membership Stock.

(a) In its sole discretion, the Board of Directors of THE CO-OP may, but need not, elect to issue shares of Class A Membership Stock of THE CO-OP as evidence of membership in THE CO-OP. If the Board of Directors elects to issue shares of Class A Membership Stock as evidence of membership in THE CO-OP, the Board of Directors shall determine, in its sole discretion, the amount to be paid by each new member as consideration for membership in THE CO-OP and as consideration for any share of Class A Membership Stock issued as evidence of such membership. (Each Active Member of THE CO-OP prior to any decision by the Board of Directors to issue shares of Class A Membership Stock as evidence of membership in THE CO-OP shall be issued a share of Class A Membership Stock in recognition of such member's then-existing Active Membership in THE CO-OP.) No person may hold more than one share of Class A Membership Stock. Holders of the Class A Membership Stock are restricted to natural persons who meet the requirements and conditions of membership as provided in these Articles and in the Bylaws.

(b) The Class A Membership Stock is non-transferable and cannot be pledged. No holder of Class A Membership Stock has any right whatsoever to require the redemption of his or her Class A Membership Stock. The Class A 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 Class A Membership Stock may never be redeemed for more than the value of the consideration for which the Class A Stock was

issued. No dividends shall be paid on the Class A Membership Stock of THE CO-OP.

(c) If the Board of Directors elects to issue shares of Class A Membership Stock as evidence of membership in THE CO-OP and a member's membership in THE CO-OP has been terminated in accordance with these Articles of Incorporation and the By-laws of THE CO-OP, the Board of Directors of THE CO-OP has the right, at its option, to redeem the Class A Membership Stock held by such terminated member upon the same terms and conditions (including payment) as may, pursuant to the provisions of THE CO-OP's Articles of Incorporation and Bylaws, be applicable to a redemption of a terminated member's membership in the event that the Board of Directors has not issued Class A Membership Stock as evidence of membership in THE CO-OP. In exercising its right to redeem any Class A Membership Stock pursuant to this subpart (c), THE CO-OP may cancel the certificate or certificates of such Class A Membership Stock on its books in the event the holder fails to deliver any certificate or certificates evidencing such Class A Membership Stock to THE CO-OP for cancelation.

(d) The Board of Directors has the authority to establish such additional terms and conditions, qualifications, methods of acceptance, duties, rights and privileges of holding Class A Membership Stock of THE CO-OP as it may from time to time deem advisable.

### **Paragraph 3. Preferred Stock.**

Except as may be limited by applicable law, these Articles of Incorporation or the Bylaws, the Board of Directors of THE CO-OP (the "Board of Directors") has the authority and power, by resolution adopted by the Board of Directors (without the necessity of any further approval or consent from the members of the CO-OP) to establish and issue one or more than one series of shares within the Preferred Stock class, to set forth the designation of series of such shares, to fix the relative rights, preferences, privileges and limitations of each series of shares; 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.

### **ARTICLE VI — Surplus Funds**

~~THE CO-OP may from time to time and at such rate or rates determined by the Board, distribute annually as a patronage rebate in kind or in cash, to its members based on their respective purchases of goods or services, the net earnings of THE CO-OP attributable to business done with members, reserving such funds as the Board deems necessary for inventories, depreciation, capital expenses, working capital, or any other reasonable future business expense. THE CO-OP shall not distribute as a patronage rebate any income from operations not attributable to business with its members. The Bylaws of THE CO-OP may contain such other provisions not inconsistent with the foregoing which the Board deems appropriate regarding distribution of surplus funds.~~

### **ARTICLE VI Net Income and Loss**

The net income of THE CO-OP in excess of dividends on equity capital and additions to reserves shall be distributed to member patrons annually or more often on the basis of patronage and the records of THE CO-OP may show the interest of members in the reserves. Net income may be accounted for and distributed on the basis of allocation units that may be functional, divisional, departmental, geographic, or otherwise. Net income may be distributed in cash, cash equivalents, capital stock credits, allocated patronage equities, revolving fund certificates, securities of THE CO-OP, other securities, or any combination thereof as determined by the Board of Directors in its sole discretion. Any such allocated equity shall be redeemable only at the option of the Board

of Directors. The net loss of an allocation unit or units may be offset against the net income of other allocation units to the extent permitted by law. The net income or net loss of THE CO-OP or any allocation unit may be determined by including the cooperative's proportionate share of the net income or loss of other entities in which the cooperative owns an equity interest. The foregoing provisions of this Article shall be implemented as more particularly provided in the Bylaws of THE CO-OP.

## **ARTICLE VII Dissolution**

Upon dissolution or final liquidation of THE CO-OP, the assets of THE CO-OP shall be distributed in the following order of priority:

Paragraph 1. All debts to nonmembers shall be satisfied.

Paragraph 2. All debts to members will be satisfied.

Paragraph 3. The holders of any shares of Preferred Stock issued by THE CO-OP shall be entitled to receive a per share amount equal to the consideration for which each such share of Preferred Stock was issued by THE CO-OP, plus any unpaid dividends declared thereon, in such priority of series of such Preferred Stock as may have been established upon the issuance of such shares and on a pro rata basis within a series if necessary.

Paragraph 4. All capital stock credits, allocated patronage equities, revolving fund certificates, securities of THE CO-OP, other securities, or any combination thereof issued by THE CO-OP to its members pursuant to Article VI hereof as a distribution of the net income of THE CO-OP shall be redeemed by payment of the stated dollar amount of such instruments, in chronological order of year beginning first with the oldest outstanding such instruments and on a pro rata basis within a year if necessary.

Paragraph 3.5. All membership certificates (or shares of Class A Membership Stock) for members Withdrawing more than 180 days prior to dissolution or final liquidation shall be redeemed for an amount equal to the consideration for which each such membership certificate or share of Class A Membership Stock was issued by THE CO-OP, but on a pro rata basis among such membership certificates and shares of Class A Membership Stock if necessary.

Paragraph 4.6. All other membership certificates (or shares of Class A Membership Stock) shall be redeemed for an amount equal to the consideration for which each such membership certificate or share of Class A Membership Stock was issued by THE CO-OP, but on a pro rata basis among such membership certificates and shares of Class A Membership Stock if necessary.

Paragraph 5. ~~All surplus funds shall be given to such nonprofit organization or organizations as the Board shall designate.~~

Paragraph 7. Any remaining assets shall then be paid to patron members of THE CO-OP on the basis of their past patronage over such period and in a manner determined by the Board of Directors to be reasonable and equitable.

**Article VIII Dissenting Member**

Any member who becomes a dissenting member pursuant to RCW 24.06.250, or a successor statute, shall be limited to a return equal to the aggregate price which the member has paid for a membership certificate in such person's name or the fair market value of such member's membership, whichever is lesser, less any debt, including interest, such member then owes THE CO-OP.

**Article IX Registered Office**

The registered office of THE CO-OP is 4500 9th Ave NE, Suite 300, Seattle, WA 98105 and the registered agent at this address is Brian Cadwell.

**Article X Management and Bylaws**

The power to manage THE CO-OP is vested in the Board and such officers and employees as it appoints. The Board is empowered to adopt and amend Bylaws governing THE CO-OP, and such Bylaws may make any provision in respect to the management or internal affairs of THE CO-OP which is not contrary to law or these Articles of Incorporation.

**Article XI Board of Directors**

Paragraph 1. The number of directors constituting the Board of the corporation at the time of adoption of these Articles of Incorporation is nine (9) and the names and addresses of the directors are as follows:

<u>NAME:</u>	<u>ADDRESS:</u>	<u>TERM EXPIRES:</u>
Brian Cadwell		2013
Jeff Hicks		2013
Tim Dery		2011
	<b>Available from CO-OP</b>	
Chris Tarnstrom		2012
	<b>For Proper Business Purposes</b>	
Christian Cordero		2011
Tim Frommer		2012
Derek Drennan		2013
Drew Wilson		2012
Jake Walters		2011

Paragraph 2. The Board shall be filled as provided by the Bylaws and may be increased or decreased from time to time in the manner specified therein.

Paragraph 3. A director may be removed from the Board in one of two ways:

(i) by the Board, upon adoption of a resolution by two-thirds (2/3) of the full membership of the Board removing such director because he/she has substantially failed to perform the duties of a director, has acted in a manner not in the best interests of THE CO-OP, or has engaged in behavior that is disruptive to the proceedings of the Board; or  
(ii) by the Active Members, upon the proposal by any Active member that such director be removed. If an Active Member proposes to have a director removed from office, a written statement must be filed with THE CO-OP's registered agent stating the objections to the actions and/or votes on corporate matters of the director in question. The registered agent will issue the member a petition form. The member will then have three months to collect signatures. All Active Members will be eligible to sign the petition during the three-month period following the issuance of the petition. If five percent (5%) of the Active Members at the time the removal is proposed sign the petition, the removal will be voted upon by the Active Members as prescribed in these Articles and the Bylaws. Quorum for a vote to remove a director shall be ten percent (10%) of the Active Members, with a simple majority needed to approve the proposal.

## **Article XII    Incorporator(s)**

The name and address of the incorporator(s) are as follows:

<u>NAME:</u>	<u>ADDRESS:</u>
Brian Cadwell	4500 9th Ave NE, Suite 300, Seattle, WA 98105

## **Article XIII    Liability of Directors and Officers**

The directors and officers of THE CO-OP shall not be held personally liable for monetary damages for conduct as a director/officer, provided that such provision shall not eliminate or limit the liability of a director/officer for acts or omissions that involve intentional misconduct by a director/officer or a knowing violation of law by a director/officer, or for any transaction from which the director/officer will personally receive a benefit in money, property, or services to which the director/officer is not legally entitled.

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