



So what the heck is a Co-op anyway?

A co-op is a group of people who pool their resources to get what they need. Although most of us are familiar with natural foods, electric or farm cooperatives, a co-op can be any kind of business or service.

What makes a co-op unique is that it is owned by the membership. Regardless of how much equity a Member-Owner contributes, each Member-Owner has only one vote and therefore, equal say. Although a co-op needs to remain profitable to remain in business, the business also exists to serve the community, not solely to make a profit for its shareholders. It is important to remember that the value of being a Member-Owner is in the use of services. In other words, there are businesses that you could invest in, never use and yet still make money on your investment. With your co-op, you can shop here if you aren't a Member-Owner but if you are a Member, you need to use the services of the co-op to gain the benefits. Shopping here makes the business profitable, supports local farmers and employs your neighbors.

We have been a part of the community since 1970. Now that you know what a co-op is, take a look at the history of your co-op at the bottom of the page.

Whole Foods Co-op is committed to the Cooperative Principles:

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner. WFC is a primary co-op.

3. Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing the cooperative, possibly by setting up financial reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions at the cooperative; and supporting other activities approved by the membership.



4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public about the nature and benefits of cooperation.

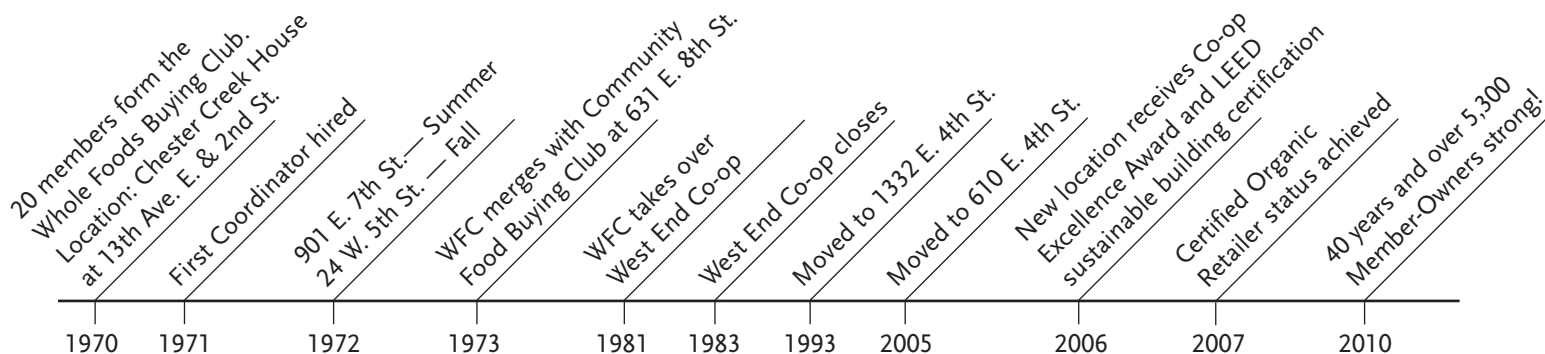
6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern For Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies approved by their members.

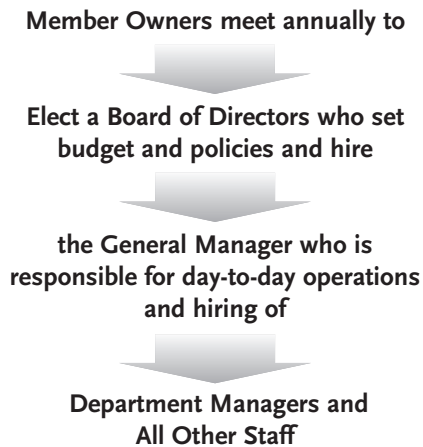
The History of Your Co-op





Management structure of a co-op

While the cooperative principles give guidance to the way we do business, the management structure also differs from other business models. To give you an idea of how the co-op is set up (and the part you now play in how it all works), take a look at your co-op's management structure:



Members are encouraged to participate in the ownership of their co-op (see the By-Laws and Articles of Incorporation at the end of the booklet). Members can become involved by running for the Board of Directors, voting in Board elections, voting on matters presented by the Board, serving on committees established by the Board, seeking information on issues related to the mission of the Co-op, responding to Co-op surveys and contacting local, state and federal representatives on issues related to the Co-op's mission. Members can also contribute by attending the Annual Meeting, volunteering, encouraging others to become members and by shopping frequently at the Co-op. If you have issues or concerns regarding Policies of the Co-op, you can contact your Board of Directors.

Whole Foods Co-op Board of Directors

ALISON CHAMPEAUX

alison@wholefoods.coop
Ad Hoc Policy Committee
GME Committee
Term expires 2011

MARY DRAGICH

maryd@wholefoods.coop
Term expires 2012

CHRIS EDWARDSON

chrise@wholefoods.coop
Finance Committee
Term expires 2012

MARK FRIEDERICHS

mark@wholefoods.coop
Treasurer
Finance Committee (Chair)
Term expires 2012

DAVID HELF

davidh@wholefoods.coop
President
GME Committee (Chair)
Ad Hoc Policy Committee
Term expires 2011

THERESA KOENIG

theresa@wholefoods.coop
Vice President
Board Recruitment Committee (Chair)
GME Committee
Ad Hoc Policy Committee
Term expires 2012

HEATHER MURPHY

heather@wholefoods.coop
Secretary
Board Recruitment Committee
Term expires 2011

SHARON MURPHY

General Manager

Whole Foods Co-op
610 E 4th Street
Duluth, MN 55805
728-0884/w
728-0490/fax
smurphy@wholefoods.coop

WFC web site: www.wholefoods.coop

e-group address to communicate with entire Board and General Manager:
wfcbod@wholefoods.coop

Call 218 728 -0884 to leave a call-back request for a Board member.

Letters addressed to Board members c/o Whole Foods Co-op, 610 E. 4th St., Duluth, MN 55805 will be forwarded unopened to the Board/Board member.



Member benefits

Members don't just have responsibilities; being a Member-Owner also means you get benefits. Your investment not only provides the building and operating capital for the business, it also entitles you to:

- Monthly Member-Only Specials in each department
- Quarterly Member Appreciation coupons (a \$10.00/yr value)
- Special Order discounts (from 10%–30%, depending on the department)
- Member Appreciation Discount Postcards
- Discounts on classes at WFC
- Community Cooperation Program (discounts at local businesses!)
- Limited emergency in-store credit with fully paid equity
- Check cashing over the amount of purchase
- Up to 3 additional household members can be listed on the account (see member Household Policy pg. 23)
- Home delivery of the Co-op newsletter, The Garbanzo Gazette
- Discount on business ad space in The Gazette
- Patronage rebates as approved by the Board based on the amount you spend
- CAP coupons sent directly to your home

The ins & outs of shopping at the Co-op

Many of our Members were non-owner shoppers before they decided to make an investment in the Co-op. Even long time Members don't know all of the ins

& outs of shopping at the Co-op, so let us enlighten you...

Reusing containers: We encourage reusing containers. It saves you money and helps to reduce waste.

If you reuse a grocery bag, use a canvas bag or backpack, you will be offered a punch on your RRR (Reduce, Reuse, Redeem) card. After 20 punches, you can either tender your card for \$1 off a purchase of \$1 or more or you can donate that dollar to the Second Harvest Food Bank. You may also



donate individual punches. At the end of the month, we add up the donated dollars and punches and then write a check in that amount to the Northern Lakes Second Harvest Food Bank.

If you reuse a container or bag for produce and/or bulk, we will deduct \$.03 from your receipt for each container you reuse. However, it is very important that:

- Your container is clean and dry and that the serving utensil (scoop, spout or spoon) does not touch your container. This reduces the chance of possible contamination

from your container to the bulk bin or from someone else's container to the bulk bin to you. We will refuse to allow the filling of dirty containers.

- You weigh your container before you fill it as there is no way to determine the weight of the container once the container has been filled. We don't want to charge you for both the weight of your container and the weight of the product!

- You write the PLU (price look up) number on a tag or on the container so the clerk rings up your purchase correctly. Many items look similar and can be hard to distinguish at the tills.
- You let us know if something has spilled (even if it wasn't you who spilled it). This helps us keep our aisles safe and clean for all shoppers.

Special Orders: If you make a Special Order, please pick it up in a timely manner. Most Special Orders arrive within a week of ordering and calls are



made the day they are received. Stop at the Customer Service Counter (CSC) so they can retrieve it **before** you do your other shopping. This will allow us to get your product(s) and have them waiting for you at the tills when you check out.

Party Trays & Deli Special Orders: Be sure to allow at least 48 hours notice on these orders so we have time to prepare your order to perfection.

Saving Money: When folks are new to shopping in our store, they often don't realize the values found in our aisles. Check out these money saving tips:

- **CAP (Co-op Advantage) monthly specials** are available to all shoppers and are found in the CAP sales flyer. These flyers are sent with your Garbanzo Gazette and are also available on our website and at the store so you can plan your shopping. Because these specials are negotiated on a region-wide basis, we may not have access to all of the items in the flyer. If you see an item you are interested in that we don't carry, please request a Special Order. CAP specials have CAP on the tag near the item.
- **Member Specials** are monthly specials available only to Members Owners. There is at least one Member Special (MS) in each department and promotions change each month. Look for the blue MS flyer in the store and on the web and for Member Special tags near the item.



- **Coupons.** Yes, we accept manufacturer coupons as long as we carry the item, the coupon has not expired, and the coupon has redemption information on it. On occasion, we have extra manufacturer coupons placed near the brochures at CSC. In addition, CAP offers Member Only coupon books from time to time. These are sent directly to your home as a Member-Owner benefit.
- **The Community Cooperation Program (CCP)** is a money-saving benefit for members in good standing. Member-Owners can show their WFC membership card at select local independently-owned businesses for discounts. Check out the CCP brochure or our website for participating businesses.
- **Buying in bulk** saves you money as you can buy only the amount you need and you are paying for the quality of the product, not the expense of the packaging.
- **Buy in season.** It seems like a no brainer, but it bears repeating that items bought in season are at the peak of both flavor and nutritional value. Freezing or canning will bring the freshness of the season to you year round.
- **Buy from those you know.** We can recommend the best produce, introduce you to our local growers and suppliers, give you cooking instruction and turn you on to the best we have to offer. Natural foods are our only business. Your dollar won't be wasted when you know what's going into your cart!



Don't forget...

When reading our Food Policies (pg. 18) and By-Laws (pg. 10), you will see terms that may not be recognizable to you. Familiarize yourself with some of the terms you see at your Co-op:

Irradiation – the practice of exposing foods to radiation in order to kill bacteria. This process decreases the nutritional value and does not kill all bacteria, nor does it kill the Norwalk Virus. Irradiation is not allowed in organic foods.

Fair Trade – a method of exchanging goods on the global market that assures the producer receives a fair price. An independent third party certifies Fair Trade goods. Some of the Fair Trade Certified items at WFC include coffee, tea, chocolate, sugar, and bananas. We seek Fair Trade items whenever feasible.

Genetically Engineered (GE) or Genetically Modified (GM) foods – the controversial practice of splicing genes of one organism into another to give the original organism a specific new trait. There are no labeling laws



regarding GM or GE foods. Rather, companies who do not use GM or GE ingredients will often mark their packaging “GMO or GE Free”. Organically grown foods are, by definition, GMO free.

Locally Grown – we define locally grown as items grown within a 300-mile radius of Duluth. Look for “Local” and the farmer’s name on applicable produce signs. We take pride in our commitment to local organic farmers. We also actively seek local and regional farmers. Look for new regional farmers this summer!

Locally Owned – We define this as items made or produced by independently owned businesses (e.g., sole proprietor, partnership, cooperative, or non-publicly traded corporation) within a 300-mile radius of Duluth.

Organically Grown or Organic – Products using “organic” or “organically grown” on the label have been third-party certified to standards set by the USDA. Farmers selling less than \$5,000/year are allowed to sign an affidavit waiving the third-party inspection, but they are still held to the same standards.

What does that mean?

Now that you’re feeling great about being a Member-Owner, there are a few things we need you to remember:

If you move, let us know. This is a requirement to keep your membership in good standing.

If you have a change in your telephone number, let us know.

If your name changes, let us know.

If you want others in your household to have access to your membership privileges, let us know.

Any of these can be done by filling out a Member Solutions form at the Customer Service Counter by the Primary Member.

If we don’t have up-to-date information, you will be made inactive. You won’t receive Member Specials, your Annual Report, your Voting Ballots, your Gazette or any Patronage Rebate that may be issued. We’d like to keep you as

a Member In Good Standing, so keep us in the loop when life changes occur.

In the event that you no longer wish to be a Member-Owner of Whole Foods Co-op, please contact us for an Application To Terminate Membership. You need to fill it out and turn it in for approval by the Board. Approval of Termination Requests and refund of equity is subject to Board discretion and to the financial health of the Co-op. Terminations are considered by the Board in February each year.



The Legalese, etc., etc.

The Legalese, the fine print & the Policies you really should read...

Articles of Incorporation	page 7
By-Laws	page 10
Food Policies	page 18
Member Household Policy	page 23
Member IOU and Other Credit Policies	page 23





ARTICLES OF INCORPORATION

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA 2008

AMENDED AND RESTATED AS OF MAY 19, 2008

ARTICLE I – NAME

The name of this cooperative shall be WHOLE FOODS COMMUNITY CO-OP, INC. (the “cooperative”).

ARTICLE II – PURPOSES

The cooperative structure offers a humane approach to creating positive change for the benefit of the individual and the common good. Under the guidance of the Cooperative Principles, this cooperative shall engage in a mercantile and marketing business to supply and furnish to its Members and patrons such goods and services as the Members may require or in any lawful business as the Members shall authorize.

For these purposes it shall have power to:

- a) Borrow money from its Members and others upon adequate security; to issue bonds, debentures, notes and other obligations and to secure the same by pledge, mortgage, or trust deed on any property of the cooperative; draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, warehouse receipts, certificates and other obligations and negotiable or transferable instruments for any purpose deemed necessary to further the objects for which the cooperative is formed.
- b) Acquire, purchase, hold, lease, encumber, sell, exchange and convey such real estate, buildings and personal property as the business of the cooperative may require.
- c) Purchase, sell, transfer and own capital stock, bonds, and obligations of other corporations.
- d) Join with other cooperatives to form district, state, national or international purchasing, marketing and service organizations; and to

purchase, acquire, and hold capital stock, notes, bonds, and other obligations of such organizations.

- e) Do and perform every act and thing necessary and proper to the conduct of its business for the accomplishment of the purposes set forth herein or permitted by the laws of Minnesota applicable to the cooperative, and to have and exercise all of the powers conferred upon the cooperative by the laws of Minnesota under which it was organized and acts amendatory thereof and supplemental thereto.

ARTICLE III – PLACE OF BUSINESS

The principal place of business of said cooperative shall be 610 East Fourth Street in the City of Duluth, County of St. Louis, State of Minnesota. Branch offices or places of business may be located elsewhere.

ARTICLE IV – DURATION

The period of the continuance of this cooperative shall be perpetual.

ARTICLE V – CAPITAL

Section 1. The amount of authorized capital stock of the cooperative shall be two million four hundred thousand dollars (\$2,400,000) and shall be divided into three classes of stock:

Class A stock shall consist of seventy thousand (70,000) shares of voting stock with a par value of five dollars (\$5.00) per share = \$350,000.

Class B stock shall consist of three hundred ninety thousand (390,000) shares of non-voting stock with a par value of five dollars (\$5.00) per share = \$1,950,000.

Class C stock shall consist of two hundred (200) shares of non-voting stock with a par value of five hundred dollars (\$500.00) per share = \$100,000.

Section 2. Class A stock may be issued for cash to any person to qualify him or

her as a Member if he or she is eligible therefor. No dividends shall be paid on Class A stock.

Section 3. Class B stock may be issued for cash, in payment of patronage refunds or in exchange for outstanding Class A stock to any person, firm, cooperative, non-profit corporation or corporation. Class B stock shall have no voting power and no dividends shall be paid thereon.

Section 4. Class C stock may be issued to holders of Class A stock. Class C stock shall have no voting power. Dividends may be paid on Class C stock at the discretion of the Board of Directors, not to exceed eight percent (8%) per annum. Dividends, if declared, shall not be cumulative.

Section 5. No share or stock shall be issued for less than its par value, nor until the same has been paid for in cash or its equivalent, and each share of stock shall be paid for at such time and in such manner as the Board of Directors of the cooperative shall require. Members shall be required to purchase one share of Class A stock and an amount of Class B stock as determined by the Board of Directors from time to time. The cooperative shall have a prior lien on the outstanding stock for any indebtedness due it. Stock shall not be sold or transferred except back to the cooperative with the consent and approval of the Board of Directors. Capital stock shall be subject to redemption as provided by law and by the Bylaws of this cooperative. The capital stock of this cooperative shall be non-assessable.

Section 6. When the Board of Directors determines that the cooperative has sufficient working capital, Class B and Class C stock may be called for payment at par. Stock shall be called for payment as provided in the Bylaws. Any redemption of stock is



ARTICLES OF INCORPORATION continued

subject to the requirement that at the time of redemption the total amount of stock remaining outstanding after deduction of the amount of stock redeemed, plus the permanent reserve of the cooperative, shall at least equal the total liabilities of the cooperative.

Section 7. In case of dissolution or liquidation of the cooperative, there shall be given a preference to holders of Class C, then Class B, and finally Class A stock.

ARTICLE VI – ALLOCATION TO MEMBERS

Section 1. All or any part of the patronage refund declared by the cooperative at any time may be paid in Class B stock, by allocated equity reserve or by the issuance of capital interest certificates, or by any other media determined by the Board of Directors.

Section 2. All of the annual net savings from patronage with Members available for distribution as determined by the Bylaws shall belong to the Members of the cooperative and shall be allocated to them on the basis of patronage as defined in the Bylaws.

Section 3. Upon dissolution or liquidation of the cooperative, the debts and liabilities of the cooperative shall first be paid according to their respective priorities. Stockholders or other holders of equity or capital reserve credits or other media issued by the Board of Directors shall then be paid the par value of their shares or credits with payments made in the order of preference stated in the Articles of Incorporation (see Article V, Section 7). Any additional property remaining after stockholders and other equity holders have been paid shall be distributed to another cooperative doing business on a cooperative basis or a non-profit organization exempt from taxes under Section 501 (c) of the Internal Revenue Code, as shall be determined by the Board of Directors or Trustees.

ARTICLE VII – DIRECTORS, ANNUAL MEETINGS

Section 1. The governance of the cooperative and oversight of management shall be vested in a Board of Directors, who shall be elected by ballot by the Members from their own number. The size of the Board of Directors and the terms of the directors shall be prescribed by the Bylaws.

Section 2. The annual meeting of the Members shall be held in the territory served by this cooperative within four (4) months after the date of the close of the fiscal year, on such date and time as the Board of Directors shall select in each year.

Section 3. Vacancies in the Board of Directors, except in case of removal by the Members, may be filled by the remaining directors of the Board. The person or persons so appointed shall hold office until the next annual meeting of the Members or until successors have been elected and qualified.

Section 4. A director is not personally liable to the cooperative or its Members for monetary damages for breach of fiduciary duty except in the following circumstances:

- a) For a breach of the director's duty of loyalty to the cooperative or its Members;
- b) For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c) For a transaction from which the director derived an improper personal benefit; or
- d) For an act or omission occurring prior to the date this provision became effective.

Section 5. The current members of the Board of Directors, their addresses and terms of office are as follows:

Name and Address	Term Expires
Jeri Brysch Duluth, MN	2008
Alison Champeaux Duluth, MN	2008
Lynn Fena Duluth, MN	2009
Mark Friederichs Duluth, MN	2008
David Helf Duluth, MN	2008
Theresa Koenig Duluth, MN	2009
Heather Murphy Duluth, MN	2008



ARTICLE VIII – OFFICERS

The officers of this cooperative shall be a president, one or more vice presidents, a secretary and a treasurer, who shall be elected annually by and from the directors. The offices of secretary and treasurer may be combined, and when so combined, the person filling such office shall be termed “secretary-treasurer.”

ARTICLE IX – DISSOLUTION, AMENDMENTS, SEVERABILITY

Section 1. This cooperative may be dissolved in the manner provided by law.

Section 2. These Articles of Incorporation may be amended as provided by law.

Section 3. The proper officers and employees of the cooperative are hereby authorized to take whatever action may be necessary and proper to make said amendments to the Articles of Incorporation effective.

Section 4. In the event that any provision of these Articles of Incorporation is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Articles.





BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA 2008

AS AMENDED AND RESTATED MAY 19, 2008

ARTICLE I – MEMBERSHIP

- SECTION 1. Qualifications
- SECTION 2. Application
- SECTION 3. Definition
- SECTION 4. Approval
- SECTION 5. Information
- SECTION 6. Current Address
- SECTION 7. Termination
- SECTION 8. Restriction on Withdrawal and Transfer of Membership
- SECTION 9. Donation of Interest
- SECTION 10. Right to Appeal

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- SECTION 1. Annual Meeting
- SECTION 2. Special Meetings
- SECTION 3. Notices of Meetings
- SECTION 4. Presiding Officer
- SECTION 5. Quorum
- SECTION 6. Order of Business
- SECTION 7. Reports
- SECTION 8. Voting

ARTICLE III – BOARD OF DIRECTORS

- SECTION 1. Number and Election of Directors
- SECTION 2. Terms of Directors
- SECTION 3. Vacancies
- SECTION 4. Removal
- SECTION 5. Board Meetings and Quorum
- SECTION 6. Special Meetings of the Board
- SECTION 7. Action without a Meeting
- SECTION 8. Compensation
- SECTION 9. Indemnification of Directors

ARTICLE IV – DUTIES AND POWERS OF DIRECTORS

- SECTION 1. Management of Business
- SECTION 2. Employee Bonds
- SECTION 3. Audits
- SECTION 4. General Manager

ARTICLE V – DUTIES AND POWERS OF OFFICERS OF THE BOARD

- SECTION 1. Election of Officers
- SECTION 2. President
- SECTION 3. Vice President
- SECTION 4. Secretary
- SECTION 5. Treasurer
- SECTION 6. Secretary-Treasurer

ARTICLE VI – CAPITAL STOCK

- SECTION 1. Certificates or Proof of Membership
- SECTION 2. Non-transferability
- SECTION 3. Refund or Repurchase by the Cooperative
- SECTION 4. Retirement or Cancellation of Surrendered Stock
- SECTION 5. Classes and Issue
- SECTION 6. Order of Payment Upon Dissolution or Liquidation
- SECTION 7. Revolving Fund
- SECTION 8. Books and Records

ARTICLE VII – PATRONAGE DIVIDENDS/RESERVE FUNDS

- SECTION 1. Annual Net Income
- SECTION 2. Member Patronage Income
- SECTION 3. Education Reserve
- SECTION 4. Capital Reserve
- SECTION 5. Patronage Dividend Distribution
- SECTION 6. Allocation of Losses

ARTICLE VIII – TAX CONSENT BY MEMBERS

ARTICLE IX – MISCELLANEOUS PROVISIONS

- SECTION 1. Fiscal Year
- SECTION 2. Amendments
- SECTION 3. Severability



ARTICLE I – MEMBERSHIP

Section 1. Qualifications.

- (a) Natural Persons. Any natural person aged eighteen (18) years or older may apply for and, upon compliance with the membership requirements set forth in Section 2 below, hold a membership in this cooperative on terms established by the Board. Such membership may be held jointly in the names of not more than two persons, in which the first named on the Class A stock certificate or subscription agreement shall have the right to cast the vote for that Membership, unless such right has been given in writing by the person so first named to the other person listed on that Class A stock certificate or subscription agreement.
- (b) Purchase of Stock Required. Upon compliance with membership requirements by a natural person, the prospective Member shall purchase four (4) shares at \$5.00/each (total \$20.00) of Class A stock in the cooperative, and sixteen (16) shares at \$5.00 each/ (total \$80.00) of Class B stock on terms set by the Board. The Board shall adopt and implement a method or methods, including but not limited to such mechanisms as scholarships, sponsorships, and matching funds, to encourage the participation of persons of restricted income as Members of the cooperative to the greatest extent possible.
- (c) Non-discrimination. This cooperative shall not discriminate on social or political grounds or on the basis of race, creed, income, age, sex, handicap, sexual preference or marital status.

Section 2. Application.

Application for membership shall be made in writing on a subscription agreement form approved by the Board. The subscription agreement shall state that the applicant subscribes to and agrees to comply with the requirements of the cooperative's Articles of Incorporation and Bylaws, agrees to

notify the cooperative of any change of address, and wishes to peacefully and democratically participate in the cooperative.

Section 3. Definition.

Only a Class A stockholder is and may be referred to as a Member of the cooperative. Only Class A stockholders have voting power, and each such stockholder is entitled to only one vote, regardless of the number of shares owned.

Section 4. Approval.

Each application for membership shall be acted on by the Board within sixty (60) days after the cooperative's receipt of the application. The Board shall have full authority to approve, reject or limit the benefits of a membership application based on policies established and approved by the Board.

Section 5. Information.

Each new Member shall be provided a copy of the cooperative's current Articles of Incorporation and Bylaws.

Section 6. Current Address.

Each Member agrees to provide to the cooperative his or her current address and to keep the cooperative informed of any changes in address. This obligation shall continue even after a membership has been terminated as long as the Member has any interest in the cooperative.

Section 7. Termination.

Membership may be terminated voluntarily by a Member upon notice to the cooperative. The Board may elect to terminate a membership if a Member dies or fails to comply with the requirements of these Bylaws and of the membership policies of the Board. When a membership is terminated, the cooperative shall either:

- a) Purchase the Class A stock of the Member by tendering to the Member, or his or her heir or successor, the par value or the book value, whichever is less, together with any cash portion of a patronage dividend due or unpaid,

less any indebtedness due the cooperative; or

- b) Purchase the Class A stock of the Member by tendering to the Member, or his or her heir or successor, Class B stock, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due the cooperative.

Regardless of the reason for termination, repurchase of the cooperative's stock, including Class B and Class C stock, by the cooperative shall be subject to the same terms and limitations governing all stock repurchases, including availability of replacement capital and the discretion of the Board to determine terms of repurchase. In any case, the Class A stock of the Member shall be cancelled and he or she shall no longer have voting rights in the cooperative.

Section 8. Restriction on Withdrawal and Transfer of Membership.

Upon joining this cooperative, every Member agrees that, in case the Member shall desire to withdraw his or her membership in the cooperative, his or her stock can only be transferred to the cooperative and only upon approval by the Board. The stock of this cooperative is not transferable in any other event.

Section 9. Donation of Interest.

Any Member or ex-Member who fails to comply with the provisions of Section 6 above (regarding supplying current address), by failing to inform the cooperative of his or her current address, and fails to respond to general notification of extinguishment of interest published in the cooperative's newspaper or on its website, makes a donation to the cooperative of any interest the Member or ex-Member may have in the cooperative whether that interest is represented by Class A, Class B, or Class C stock or any other capital contributions or equity in the cooperative.



BY-LAWS continued

Section 10. Right to Appeal Termination of Membership.

Written notice shall be mailed through the United States mail or hand-delivered to any Member whose membership the Board of Directors decides to terminate pursuant to Section 9 of this Article I. If the Member objects, the Member shall, within thirty (30) days, after the written notice of termination has been given, have the right to notify the Board of Directors in writing that the Member objects to termination and request an appeal. In that case, the appeal shall be heard at the next Members' meeting by the Members present. A majority vote of the Members present to uphold the action of the Board shall terminate the membership.

ARTICLE II – MEMBER MEETINGS/VOTING

Section 1. Annual Meeting.

The annual meeting of Members shall be held in the territory served by this cooperative within four (4) months after the close of the cooperative's fiscal year, at such time and place as determined by the Board.

Section 2. Special Meetings.

The president of the cooperative shall call a special meeting of the Members upon either:

- (a) A majority vote of the directors, or
- (b) The written petition of at least twenty percent (20%) of the Members.

Notice of the meeting shall be given by the president as provided in Section 3 of this Article II below, and shall state the time, place and purpose of the special meeting. If the meeting is called pursuant to a Member petition, then the notice shall be issued within ten (10) days from receipt of the petition by the president, and the special meeting shall be held within thirty (30) days from receipt of the petition by the president. No business shall be considered at a special meeting except that mentioned in the meeting notice.

Section 3. Notices of Meetings.

The secretary of the cooperative shall give notice of all meetings of the Members:

- (a) By publication in a legal newspaper published in the county of the principal place of business of the cooperative at least two (2) weeks before the date of the meeting, or
- (b) By publication in a magazine, periodical or house organ regularly published by or on behalf of the

cooperative and circulated generally among its Members at least two (2) weeks before the date of the meeting, or

- (c) By mailing notice thereof to each Member at such Member's last known address, not less than fifteen (15) days before the date of the meeting. The secretary shall document compliance with this provision by preparing a copy of the notice given to Members with proof of mailing or publication attached. The failure of any Member to receive any such notice shall not invalidate any action that may be taken by the Members at such regular or special meeting.

Section 4. Presiding Officer.

The president of the cooperative, or his or her designee, shall preside at all meetings of the Members and the Board.

Section 5. Quorum.

At any meeting of the Members, a quorum necessary for the transaction of business shall be:

- (a) Ten percent (10%) of the total number of Members in the cooperative, when the number of Members does not exceed 500; or
- (b) When the cooperative has more than 500 Members, one hundred (100) Members present; or
- (c) Such other number as may be and if required by law.

Only Members in actual attendance at the meeting shall count towards a quorum, except for matters submitted to the membership by mail or other means approved by the Board, in which case the ballots cast shall be counted toward fulfillment of the quorum requirement.





Section 6. Order of Business.

The order of business at the annual and, so far as practicable, at all other meetings of the Members shall be:

- (a) Calling of roll or registering of Members
- (b) Proof of notice of meeting
- (c) Determination of a quorum and right to vote by Members
- (d) Reading and approval or waiver of Minutes of last meeting
- (e) Reports of officers and committees
- (f) Unfinished business
- (g) New business
- (h) Remarks for the good and welfare of the cooperative
- (i) Adjournment

Section 7. Reports.

Reports covering the cooperative's business for the previous fiscal year shall be submitted to the Members within four (4) months after the close of the fiscal year.

Section 8. Voting.

No Member shall have more than one vote, regardless of the number of shares owned. Members who jointly own shares shall vote as prescribed in Section 1 (a), Article I of these Bylaws. No Member shall be allowed to vote by proxy. Voting by mail or by other means as approved by the Board shall be allowed on all matters upon which Members are entitled to vote. The Board may prescribe a form of ballot to be used which ballot shall comply with requirements of the laws governing cooperatives. If a ballot is received on or before the due date, it shall be accepted and counted.

ARTICLE III – BOARD OF DIRECTORS

Section 1. Number and Election of Directors.

There will be seven (7) directors of the cooperative. A director must be a Member of the cooperative. Only the first individual named on the membership application shall be eligible to be elected to the Board. The Members shall elect the directors by ballot and directors shall hold office until their successors are elected subject to any earlier resignation or removal of a director. No more than two (2) of the total number of directors shall be employees of the cooperative.

Section 2. Terms of Directors.

Directors shall be elected to staggered terms of three (3) years. If any director shall cease to be a member, his or her office shall be automatically vacated. No director may serve more than three (3) consecutive three-year elected terms, plus any partial term served to fill a vacancy. Upon the expiration of such terms, a Member shall not be eligible for election to the Board until the next annual meeting.

The transition from two-year terms shall be handled as follows:

- 1) In fall 2008, the three candidates with the highest number of votes in the 2008 election shall be elected to three-year terms.
- 2) In 2009, the four candidates with the highest number of votes shall be elected to three-year terms.
- 3) All subsequent elections will be for three-year terms.

When filling vacancies caused by resignation, the position(s) will be filled for the remainder of the original term(s). Candidates with the highest vote totals shall get three-year terms, and the candidate(s) with the next-highest vote total(s) shall fill the vacated seat(s) for the remainder of the term(s).

Section 3. Vacancies.

Any vacancy in the Board may be filled by Board appointment of another Member until the next regularly scheduled Board election.

Section 4. Removal.

No more than three (3) directors of the cooperative may, for cause related to the duties of the director, at an annual or special meeting of the Members, be removed from office by a majority vote of the Members voting at any annual or special meeting called for that purpose. The Members may fill the vacancy caused by the removal of the director. A quorum of Members shall be present at any such meeting.

Failure of a director to attend two consecutive Board meetings or one-third of the Board meetings during a year, except for cause as determined by a majority vote of the remainder of the Board, shall result in automatic removal from office.

No director shall be removed from office at either an annual or special meeting unless he or she has been informed of the meeting at which the matter is to be considered at least ten (10) days before such meeting. Such notice shall be by certified mail addressed to him or her at his or her last known address, and he or she shall be entitled to be heard at such meeting.

Section 5. Board Meetings and Quorum.

Regular meetings of the Board shall be held at such time and place as the Board shall from time to time determine. A majority of the directors shall constitute a quorum at all meetings of the Board, and a majority vote of the members present shall decide all questions. Board meetings may be held by telephone conference call, if so approved by all directors, providing all persons participating can hear each other at the same time. The Board shall have at least ten (10) regular meetings during each fiscal year.



BY-LAWS continued

Section 6. Special Meetings of the Board.

Special meetings of the Board may be called by the president or by a majority of the Board. Each member of the Board shall be duly notified of all such meetings.

Section 7. Action without a Meeting.

Decisions of the Board may be made without a meeting if a consent in writing, stating the action to be taken, is signed by all directors or transmitted electronically by each director and filed with the Minutes.

Section 8. Compensation.

Compensation for directors shall be determined by resolution of the Board. Compensation and/or expense reimbursement to directors shall not constitute payments to them as employees.

Section 9. Indemnification of Directors.

To the fullest extent of a director's right to indemnification under Minnesota law, the cooperative shall indemnify each person who is serving or who has served at the request of this cooperative as a director or officer, including his or her heirs, executors or administrators, against: expenses, including but not limited to reasonable attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by such director or officer in connection with any suit, action or process arising out of, resulting from or connected to such office or directorship, and whether or not such suit, action or process arises out of the conduct of such director or officer.

ARTICLE IV – DUTIES AND POWERS OF THE BOARD

Section 1. Management of Business.

The Board shall govern the business and affairs of the cooperative and make all necessary rules and regulations not inconsistent with law or with these Bylaws. The Board shall have the power to employ and dismiss a general manager, and/or a managing agent and to determine their duties and fix their compensation.

Section 2. Employee Bonds.

The Board may require the general manager, chief executive officer, and/or all other officials, agents and employees charged by the cooperative or its managing agent with responsibility for the custody of any of its funds or property to provide a fidelity bond in such sum as the Board shall determine. Such bond shall be furnished by a responsible bonding company or other surety satisfactory to the directors, and cost therefor shall be paid by the cooperative.

Section 3. Audits.

The Board shall examine all financial statements prepared for the cooperative at their regular meetings at least four (4) times a year. In addition, they may have the books audited or reviewed at least once a year by a certified public accountant. Such audit or review shall preferably be made between the date of the close of the fiscal year and the date of the annual meeting. Annually, a report of audit or review findings, containing at least a balance sheet showing the financial condition of the cooperative at the close of the fiscal year and a summarized statement of income and expenses for the year, shall be submitted to the members at their annual meeting or, if not available at the annual meeting, mailed to the members.

Section 4. General Manager.

The Board shall employ and supervise the general manager of the cooperative. The general manager shall have general charge of the ordinary and usual business operations of the cooperative subject to the direction and approval of the Board. The general manager shall be required to maintain all business records and accounts in such a manner that the accurate condition of the business may be determined whenever practical. He or she shall provide annual and periodic reports in a form and manner prescribed by the Board. The general manager shall employ and discharge employees subject to direction and guidelines approved by the Board. The general manager shall, in the manner and form prescribed by the Board, handle and account for all monies belonging to the cooperative that come into his or her possession.

Article V – Duties and Powers of Officers of the Board

Section 1. Election of Officers.

The Board shall meet within thirty (30) days after the annual election of directors by the Members and shall elect by and from their number a president, one or more vice presidents, a secretary, and a treasurer. The offices of secretary and treasurer may be combined and, when so combined, shall be termed the secretary-treasurer. Officers shall hold office until their successors shall have been elected and qualified.

Any officer may be removed from an office by the Board by a simple majority vote of the entire Board whenever in the judgment of the other directors such a removal is in the best interest of the cooperative. Such a removal from office shall not be a removal from the position of director.



Section 2. President.

The president shall:

- (a) Preside over all meetings of the Members and of the Board or shall designate another member of the Board to so preside.
- (b) Sign as president, with the secretary, all notes, deeds and conveyances of real estate, contracts and, as applicable, certificates of stock of the cooperative.

Section 3. Vice President.

In the absence or disability of the president, the vice-president shall perform the president's duties.

Section 4. Secretary.

The secretary shall:

- (a) Ensure that a complete record of the meetings of the cooperative and of the Board is kept.
- (b) Sign as secretary, with the president, all notes, deeds and other conveyances of real estate and, as applicable, all certificates of stock of the cooperative.
- (c) Ensure that a complete and detailed report of the most recently ended fiscal year is prepared and submitted to the members by mail and/or at the annual meeting; the report shall contain a statement of assets and liabilities, a statement of income and expenses, and such other statements and statistical memoranda as the Board shall require.
- (d) Serve or cause to be served and attest to all notices required by law.
- (e) Perform such other duties as may be required by the cooperative or its Board.

Section 5. Treasurer.

The treasurer shall:

- (a) Oversee the receipt and disbursement of all funds of the cooperative.

(b) Ensure that complete records of all financial transactions of the cooperative are kept and perform such other duties pertaining to this office as may be required by the Board.

(c) The Board may delegate the duties enumerated in this section to an agent or employee of the cooperative provided, however, that the treasurer shall retain the responsibility to review and supervise the execution of such duties by such agent or employee on a regular basis.

Section 6. Secretary-Treasurer.

If the offices of the secretary and treasurer are combined, the duties shall be a combination of the duties of both such officers. The office shall be known as secretary-treasurer.

Article VI – Capital Stock

Section 1. Certificates or Proof of Membership.

Membership cards shall be issued, in lieu of certificates for Class A stock, when the initial required stock is fully paid for and the membership application has been approved and for payment of all required Class B equity stock. Class B stock received as patronage dividends shall be evidenced by written notice of allocation mailed to the Members. Purchase of Class C stock shall be evidenced by written notice of allocation mailed to the Member. The cooperative retains the right to terminate all memberships as provided in the Bylaws and to purchase or recall all stock. Redemption of capital stock by the cooperative is subject to any indebtedness owing the cooperative by the stockholder.

Section 2. Non-transferability.

Shares of stock shall be transferable only to the cooperative with the consent and approval of the Board. Shares of stock may not be transferred in any other manner.

Section 3. Refund or Repurchase by the Cooperative.

The cooperative shall repurchase all shares of stock of terminating Members, whether for cause or for voluntary or involuntary reasons, on the condition that the cooperative has received replacement capital from new or continuing Members. The Board may establish additional conditions and terms for repurchase of Members' shares of stock, provided such conditions and terms apply to all Members.

Section 4. Retirement or Cancellation of Surrendered Stock.

Any stock required to be surrendered back to the cooperative according to Section 7, Article I of these Bylaws shall be retired and cancelled by the Board. Any other stock acquired by the Board from a stockholder of any class may be held as treasury stock or may be retired and cancelled.

Section 5. Classes and Issue.

Whenever the cooperative determines that all of its funds are not necessary for the proper financing of the operations of the cooperative, the Board may choose to retire Class B or Class C stock, liquidate equity or capital reserves or any other media previously issued.

Section 6. Order of Payment Upon Dissolution or Liquidation.

Upon dissolution or liquidation of the cooperative, the debts and liabilities of the association shall first be paid according to their respective priorities. Stockholders or other holders of equity, capital reserve credits, or other media issued by the Board shall then be paid the par value of their shares or credits with payment made in the order of preference stated in the Articles of Incorporation. Any additional property remaining after stockholders and other equity holders have been paid shall be distributed to another cooperative



BY-LAWS continued

doing business on a cooperative basis or to a non-profit organization under Section 501c of the Internal Revenue Code, as shall be determined by the Board.

Section 7. Revolving Fund.

Funds and credits arising from the issuance of stock or other media may be used for creating a revolving fund for the purpose of building working capital, revolving such capital, and investing in other cooperatives as the Board may from time to time deem necessary.

If the Board determines that some of its funds from whatever sources are not necessary for the proper financing of the operations of the cooperative, it shall first redeem Class B stock that was tendered for Class A stock and then Class B stock which represents an ex-Member's initial capital contribution to the cooperative. This is done provided that the ex-Member has requested the redemption of this stock.

If additional funds remain available to redeem equity after all requests to redeem Class B stock representing the capital contributions of ex-Members have been honored, then the Board may redeem other Class B stock, Class C stock, and other capital interest media. The timing and method of all redemptions shall be at the Board's sole discretion and shall be fair and equitable.

Section 8. Books and Records.

The books and records of the cooperative shall be kept on a fiscal year basis, and in such a manner that the interests of Members and ex-Members may be determined at any time.

ARTICLE VII – PATRONAGE DIVIDENDS/RESERVE FUNDS

Section 1. Annual Net Income.

(a) **Gross Receipts.** Gross receipts shall be all proceeds from the sale of goods and services to Members and non-Members and all other sums received (including

patronage dividends and all non-patronage income).

(b) **Deductions from Gross Receipts.**

The cooperative shall deduct from "gross receipts" all expenses incurred in generating the "gross receipts" including, but not limited to, marketing expense, costs of goods or services sold, taxes, depreciation, reserves for doubtful accounts, and all other necessary expenses.

(c) **Total Annual Net Income.** The amount remaining after reducing the "gross receipts" by the deductions contained in Section 1(b) of this Article VII shall constitute the total annual net income (net earnings) of the cooperative.

Section 2. Member Patronage Income.

(a) **Member Patronage.** Total annual net income shall be separated into:

(1) Annual net income from Member patronage and patronage dividends and

(2) Annual net income from non-Member patronage and non-patronage sources.

(b) Annual net income from Member patronage shall be determined by:

(1) Taking the percentage of gross receipts attributable to business done with or for Members (including patronage dividends, etc.) and

(2) Multiplying that percentage by total annual net income. The amount resulting shall be annual net income from Member patronage, which shall be distributed to the Members of this cooperative in proportion to the amount of business done by them with the cooperative over the last year, subject only to the deductions and exceptions provided in Section 4 of this article.

(c) **Non-Member Patronage and Non-Patronage Income.** The difference between total annual net income and net income from Member patronage shall be annual net income from non-Member patronage and non-patronage sources.

Section 3. Education Reserve.

The Board may set aside a sum from the annual net income from non-Member patronage and non-patronage sources as an education fund to promote and encourage cooperatives.

Section 4. Capital Reserve.

(a) The Board shall annually set aside the annual net income from non-Member patronage and non-patronage sources, less any deductions for the education reserve, as a capital reserve.

(b) In addition, the Board may also place into the capital reserve fund:

(1) All annual net income from Member patronage attributable to Members who have not provided current addresses to the cooperative;

(2) All annual net income from Member patronage attributable to Members that results in a distribution of less than the minimum amount of Five Dollars (\$5.00) to any Member.

(3) These amounts so set aside shall not be allocated to the Members of the cooperative and shall be kept in the general reserve fund.

(c) Amounts which have been placed in any reserve and which have been allocated to a specific Member prior to the effective date of this Article shall remain so allocated on the books of the cooperative unless and until retired or disbursed.



- (d) The Board may, by resolution duly adopted prior to the beginning of the fiscal year, set aside up to fifty percent (50%) of the total annual net income or other reasonable amount as a capital reserve.

Section 5. Patronage Dividend Distribution.

- (a) The annual net income from Member patronage, less any deductions or exceptions as determined by Section 4 of this Article, shall be distributed annually to the Member-patrons of the cooperative and said Member-patrons shall be notified thereof.
- (b) Patronage dividends shall be distributed in cash or in equity (usually Class B stock) or by any combination thereof designated by the Board. Equity distributions (Class B stock) may be paid or redeemed in whole or in part at such time, in such manner and in such order as shall be determined by the Board in its sole discretion. No transfer or assignment of such retained patronage equity (Class B stock) shall be allowed without the approval of the Board.

Section 6. Allocation of Losses.

If this cooperative has sustained an annual net loss in net income from Member-patron business, the Board shall have the power and authority to allocate such losses in the following manner:

- (a) To the Member-patrons in such year on a patronage basis and apply such losses against the retained patronage equity of said Member-patrons, or
- (b) To carry forward or to carry back such loss.

ARTICLE VIII – TAX CONSENT BY MEMBERS

Each Member of this cooperative shall, by becoming a Member, consent that the amount of any distribution with respect to his or her patronage occurring in any fiscal year which are made by qualified written notices of allocation (as defined in 26 U.S.C. 1388) received by him or her from the cooperative shall be included in his or her income in the manner provided in 26 U.S.C. 1385 during the taxable year in which the qualified written notices of allocation are received. It is the intent of this provision to provide a consent binding on all Members who retain or obtain membership in this cooperative and who receive a written notification and copy of this Bylaw, for the purpose of making such distributions “qualified” within the meaning of the Internal Revenue Code.

ARTICLE IX – MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year.

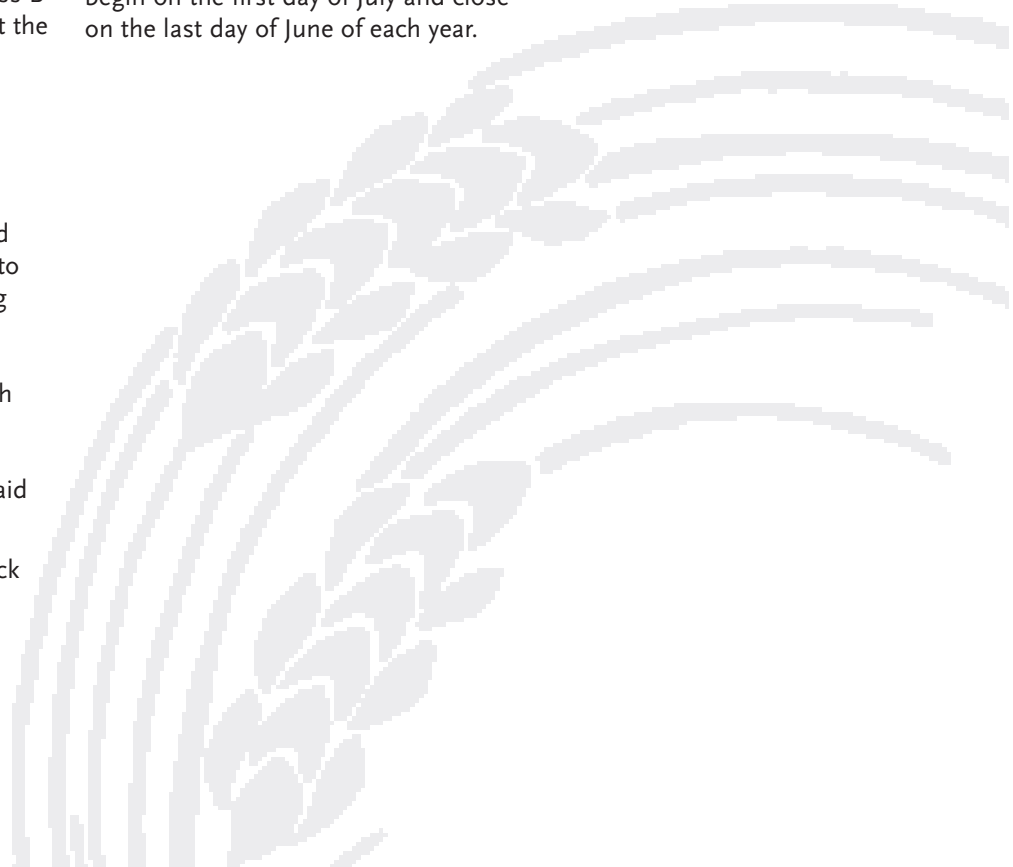
The fiscal year of this cooperative shall begin on the first day of July and close on the last day of June of each year.

Section 2. Amendments.

These Bylaws may be amended, repealed or altered, in whole or in part, by a majority vote of a quorum (Article II, Section 5) of the Members provided that all Members are notified by mail of the proposed changes to the Bylaws.

Section 3. Severability.

In the event that any provision of these Bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Bylaws.





ENDS STATEMENT AND FOOD POLICIES

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA 2008

AS AMENDED AND APPROVED BY THE BOARD OF DIRECTORS ON MARCH 22, 2010

ENDS STATEMENT

(adopted by Board of Directors on March 23, 2009)

In Duluth there is a thriving consumer-owned cooperative that supports, invests, and partners to create a healthy community including, but not limited to, a healthy regional food system

FOOD POLICIES

In support of WFC's ENDS Statement, its products adhere to the following standards:

- fresh, healthy, nutritious
- certified organically grown (free of pesticides and chemicals), whenever possible, and locally produced, when available
- whole grains
- minimally processed
- seasonal, as available
- well-stored, well-handled, well-presented
- free from preservatives, hormones, additives, antibiotics, chemicals, toxins and non-irradiated with the exception of appropriately labeled products offered only on an item by item basis where no alternative exists to meet customer requests
- bio-dynamically grown, whenever possible
- variety
- non-exploitatively produced, consistent with its ideals and goals
- special diet foods and alternatives

to commonly allergenic foods and products

- bulk or minimally packaged

Additionally, WFC:

- supports local certified organic growers and producers
- supports suppliers whose practices are consistent with its goals
- supports products which help regenerate rather than harm the environment

WFC will implement its Food Policies and ENDS Statement through the following guidelines:

GENETICALLY MODIFIED ORGANISMS (GMOs)

As adequate government and/or third-party testing on the long-term impact that any or all GMOs will have on the environment and personal health was not completed before GMOs were introduced into the global food supply, WFC will:

- Provide printed information in the store from suppliers and manufacturers, as available, regarding GMOs,
- Provide education to the community on this issue through newsletter articles, press releases and outreach presentations, and
- Allocate resources and staff time to support efforts for mandatory testing and labeling of foods containing GMOs.



- stays informed on health and safety issues concerning foods and respond to them
- helps educate its members and community about healthy foods and products
- provides careful, informed, and friendly service to all
- makes its store as non-toxic and accessible as possible
- provides delicious, wholesome ready-made foods through its Deli

DELI POLICY

WFC's Deli is committed to using at least 80% organic ingredients. The Deli's goal is that its prepared foods will exhibit and reflect WFC's ENDS Statement and Food Policy.

Ingredient lists will be posted with every prepared food offered. The label/sign used will also provide information as to whether the prepared food is wheat-free, dairy-free, vegan, etc.

As of February 13, 2008, management defined products as LOCAL that are grown = within a 300-mile radius of Duluth OR are produced by an independently-owned business (e.g., sole proprietor, partnership, cooperative, or non-publicly traded corporation) within a 300-mile radius of Duluth.



The Deli will strive to offer a healthy, balanced menu of whole foods including grains and non-dairy selections, and to be aware of and responsive to common food sensitivities (such as corn, wheat, dairy, soy, sugar, etc.). A sign will be posted at the Deli counter stating: "Whenever possible, organic produce and ingredients will be used in Deli foods. Organic items will be highlighted on ingredient labels. If you have specific dietary concerns, please ask the counter person about them."

Filtered water will be used for all Deli food and prep. The menu will shift to accommodate seasonal produce availability. Non-allergenic alternative breads will always be available. There will always be some completely organic and hypoallergenic foods available.

All Deli personnel will have whole foods training because the requirements of a health food/organic food deli are quite different from those of a commercial deli, and also to ensure that they are knowledgeable about such foods in order to better answer patron questions and requests. They will also be provided with organic foods and standards training. Additional food education for patrons will be provided through such venues as food workshops, cooking demos, brochures and Deli outreach into the community.

BAKED GOODS (PRODUCED AT WFC) POLICY

All baked goods produced at WFC will meet Food Policy guidelines and preferences including use of certified organically grown ingredients, whole grains, filtered water and will adhere to the same labeling/signage guidelines. Products will be produced in sanitary conditions with non-aluminum utensils (when available). A variety of baked goods will be offered including products for people on restricted diets (gluten-free, vegan, etc.) and products that contain alternatives to common allergenic foods (wheat, dairy, etc.).

PRODUCE POLICY

WFC is committed to carrying at least 75% organic fresh produce, of the finest and freshest quality possible. Priorities in the selection of produce shall be as follows:

- 1) Local Certified Organic (seasonal)
- 2) Local Non-certified Organic (affidavit growers under NOP)
- 3) Local sustainably-grown/minimal chemical application/non-GMO produce (seasonal)
- 4) Good quality Certified Organic from closest possible source
- 5) Non-Organic items to best serve customer needs with reference to established chemical exposure research (e.g., Environmental Working Group)
- 6) Waxed items only when necessary (labeled as such), excluding petroleum based waxes

All produce will be subject to quality control for freshness and taste and will be handled to best preserve its quality. Low storage rate (constant turnover), careful handling and prepping, well-trained personnel, daily culling, careful and attractive display will all contribute to the quality of the produce. Organic and Non-organic produce will be kept separate in storage, handling and display so as to guard against co-mingling. When offering soup kitchen for Deli use, Non-organic, Non-certified Organic will be displayed separately. All water for cleaning, prep and spraying will be filtered.

WFC will encourage local Certified and Non-certified Organic growers of seasonal produce. Names of local growers/suppliers and their growing practices will be readily available for reference by WFC staff. All produce will be individually labeled at a minimum as to its state of origin. Brochures will be provided in the vicinity of the produce explaining why to eat organic produce and its environmental and social benefits.

FRESH/DRIED FLOWERS/ POTTED PLANTS POLICY

Fresh and dried flowers and potted plants sold at WFC will be from the least chemically treated varieties available and, preferably, locally grown. As needed, these products will be watered with filtered water. Fresh flowers and potted plants will not be stored or displayed above or in direct contact with food. Certified organic dried flowers may be used as part of displays containing dry produce items.

FRESH JUICES POLICY

Fresh fruit and/or vegetable juices processed at WFC will contain only Certified Organic ingredients washed in filtered water. These products will be processed in a clean juicer using non-aluminum utensils. Types of juice processed at WFC will be determined on a rotating and seasonal basis and will be dated for maximum quality.

FRUIT/VEGETABLE REPACKS POLICY

Fresh fruit and/or vegetable repacks processed at WFC will be clearly labeled as to organic status and will contain only ingredients that have been washed in filtered water and sliced using non-aluminum utensils appropriate to the item. Types of fruit and/or vegetable repacks processed at WFC will be determined on a rotating and seasonal basis and will be dated for maximum quality.

SALAD BAR POLICY

Fresh fruit and/or vegetables processed at WFC for a salad bar will contain at least 80% Certified Organic ingredients that have been washed in filtered water and prepared using non-aluminum utensils. Salad bar selections will be determined on a rotating and seasonal basis. Bulk salad dressings will contain organic ingredients. Salad bar selections will be presented in a clean, non-toxic, temperature-controlled environment.



ENDS STATEMENT AND FOOD POLICIES continued

HOT BAR POLICY

The Deli is committed to using at least 80% certified organic ingredients for hot bar items. The Deli's goal is that prepared foods on the hot bar will exhibit and reflect WFC's ENDS Statement and Food Policy. "Materials" include produce, dairy products, grains, beans, canned goods, oils, and other food ingredients. Ingredient lists in compliance with applicable laws and regulations will be posted with every hot bar item. A vegetarian entrée will always be offered on the hot bar. The hot bar will be staffed, equipped, and maintained in compliance with food service sanitation rules and regulations and in compliance with National Organic Standards.

COFFEE BAR POLICY

The Deli is committed to using at least 80% certified organic ingredients for coffee bar items. The Deli's goal is that its coffee bar beverages will exhibit and reflect WFC's ENDS Statement and Food Policy. "Materials" include coffee, teas, sweeteners, flavorings, produce, juices, and dairy and non-dairy additives. The coffee bar will be staffed, equipped, and maintained in compliance with food service sanitation rules and regulations and in compliance with National Organic Standards.

BULK WATER POLICY

Bulk water sold at WFC will be processed in a consistently well-maintained commercial reverse osmosis filtration system.

BOTTLED WATER POLICY

Bottled water products sold at WFC will meet production standards established by the Federal Drug Administration (FDA) and will contain no additives in accordance with the GROCERY/PACKAGED POLICY. Preference will be given to local bottled waters and to bottled waters with recyclable packaging.

DAIRY POLICY

WFC is committed to carrying any or all organic dairy products available, although it will continue to stock non-organic products until alternatives are available. BGH-free products are to be preferred, and WFC's goal is to carry only BGH-free fresh milk, cream, sour cream, and cheese.

Local organic dairy products will be preferred when quality and availability allow. WFC is committed to providing as many non-dairy alternatives as possible for customers who prefer dairy-free products.

MEAT/POULTRY/FISH/SEAFOOD POLICY

WFC is committed to providing only certified organic and naturally raised meat and poultry products. Preference will be given to certified organic meat and poultry products and to local suppliers who meet the following criteria.

Certified organic meat and poultry is defined as raised in accordance with USDA certification requirements (approved January 1999). Organic standards for meat, poultry and meat products exclude the use of rBGH or other synthetic growth hormones, and exclude routine use of antibiotics. Additionally, all animals must have access to the outdoors. The animals are fed only organic feed, and the processing for all meat, poultry and dairy products must meet organic standards as well.

Naturally raised is defined as meat from animals raised without hormone supplements, meat from animals who received antibiotics only when necessary to treat disease, and meat free of artificial additives and nitrites. Humane treatment of the animals, including no caging or close quarters, is also required.

Preference will be given to sustainably harvested fish and seafood from local suppliers.

EGG POLICY

Preference will be given to eggs from certified organic poultry and to eggs from Small Suppliers who meet WFC's Criteria for Small Supplier Free-Range Eggs. In order to ensure a consistent supply of eggs, WFC will offer eggs from commercially raised chickens on an as-needed basis. Eggs will be labeled with the farm name and location.

GROCERY/PACKAGED POLICY

WFC will carry no packaged products with hydrogenated oils. WFC will carry no artificial sweeteners (Nutra-sweet, etc.) or products that contain artificial sweeteners, and will aim for a goal of 90% non-refined sugar products among sweetened packaged products. Simple natural sugars will continue to be provided (honey, maple syrup, Sucanat, molasses, rice and barley syrups, etc.). Information will be available on the health effects of refined sugar. Labels will be placed on items that "contain refined sugar."





WFC will remain responsive to other nutritional concerns as they become known and will update the purchasing policies to reflect these developments, always aiming to provide only the best and most nutritious foods. The purchasing policies will be consistent with the food policy statement, and items that meet policy guidelines will be given a reasonable amount of time, exposure and patron education before being discontinued.

Local certified organic foods and produce will always be supported and WFC will actively seek out and encourage local suppliers. Local suppliers will be identified and their growing/production practices described. All such products will be identified by the names of the growers/producers.



BULK FOODS POLICY

WFC will aim for a goal of 100% non-hydrogenated oils/fats in bulk foods containing oils and labels will be placed on items that "contain hydrogenated oils." A statement will be posted with information on the health effects of hydrogenated oils. Items free of hydrogenated oils will be offered as soon as available, with continuing research until the 100% goal is reached.

WFC will carry no artificial sweeteners (Nutra-sweet, etc.) or products that contain artificial sweeteners, and will aim for a goal of 90% non-refined sugar products among sweetened bulk products. Simple natural sugars will continue to be provided (honey, maple syrup, Sucanat, molasses, rice and barley syrups, etc.). Information will be available on the health effects of refined sugar. Labels will be placed on items that "contain refined sugar."

Bulk foods will be displayed and stored in a clean and, as needed, temperature-controlled environment to ensure maximum quality. Only non-toxic pest control methods will be used in display and storage areas. Preference will be given to organically grown, locally grown and regionally grown products.

FOOD STORAGE POLICY

The highest possible standards of food storage, handling and presentation will be used, with continuing research into the best methods of preserving the freshness, nutrition, and quality of our foods. Equipment will be efficient, well maintained, and as environmentally sound as possible. High priority will be given to food storage issues in planning and budgeting.

NON-FOOD ITEMS POLICY

It is our goal to offer non-toxic and non-perfumed products. Non-toxic and non-perfumed items are to be preferred. Biodegradable and non-perfumed cleaning products will also be preferred, with increasing emphasis on natural, non-toxic cleaners.

With cosmetics, the emphasis will also be on natural, non-perfumed, hypoallergenic products that reflect our ideals (no animal testing, no animal products). Only non-toxic baby care items will be offered. Perfumed items will be enclosed whenever possible. To accommodate the needs of sensitive patrons, staff will not wear scented products while on duty.

RECYCLING POLICY

It is WFC's goal to encourage recycling. Recycling and repackaging will continue to be practiced and encouraged. WFC will also buy in bulk, sell in bulk and feature reduced or re-usable packaging and glass containers. Paper egg cartons labeled for non-organic eggs will be accepted for re-use by local egg suppliers.

HANDICAPPED ACCESSIBILITY POLICY

Because of the presence of organically grown foods and patrons with chemical sensitivities, WFC will present as non-toxic an environment as possible. It will be a smoke-free environment (posted as such), and employees will not wear scented products while on duty.

Proper and effective ventilation has been implemented. Every effort is made to keep the store premises pesticide-free and toxin-free. Non-toxic cleaning supplies are used throughout the building in keeping with WFC's ENDS Statement, Certified Organic Retailer status, and LEED certification.



ENDS STATEMENT AND FOOD POLICIES continued

EDUCATION POLICY

High priority is to be given to the WFC ENDS to educate members, patrons and the community about healthier, more wholesome foods and growing practices. This is to include:

- Continuing research into growing practices, nutrition, food storage, and the practice/policies of suppliers and other whole foods organizations.
- Well-written, well-designed brochures providing up-to-date information on Food Policy issues including, but not limited to,
 - allergy-free foods, refined sugars, safe levels for consumption of fish and seafood, organic standards, and foods and products offered at WFC, etc., will be available at all times.
- Cooking directions will be provided on all appropriate bulk food containers, as well as nutritional information and use suggestions where applicable.
- A simplified version of the Food Policy and ENDS Statement will be prominently posted and copies of the complete statement will be available at all times.
- A regular article in the WFC newsletter will list new information about nutrition; a member suggestion book will help provide information for this.
- There will be food prep demos, food and nutrition workshops, outreach work in the community, and PR about WFC routinely.
- Letters to the editor, guest columns in local newspapers, and media events about issues of concern to WFC are to be encouraged.
- Foods are to be well displayed to encourage interest.

MEMBER POLICIES

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA 2008

AS AMENDED AND APPROVED BY THE BOARD OF DIRECTORS ON MARCH 31, 2008, TO BE EFFECTIVE JULY 1, 2008

MEMBER HOUSEHOLD POLICY

As amended by the Board of Directors on March 31, 2008, As a benefit of membership, a WFC Member-Owner may choose to list additional members of his/her household on his/her membership account.

To clarify what individuals may be listed on a Member's account:

- 1) "Household" is a single residential address and
- 2) Up to three (3) individuals (no age limit) in the Member's household may be listed on a Member's account.

Benefits available to additional individuals on a Member's account include:

- 1) Member discount on special orders.
- 2) Member-only coupons and Member-only specials.
- 3) Member cost to attend WFC public classes.

Rights and responsibilities related to additional individuals on a Member's account include:

- 1) Only the first person name on the stock certificate/subscription agreement has a vote in Board elections and on other matters presented to the Members (one member, one vote).
- 2) The first person named on the stock certificate/subscription agreement owns the stock. Stock may be transferred only to WFC and is not transferable to any other entity or individual.
- 3) Any patronage rebate will be issued to the first person named on the stock certificate/subscription agreement.
- 4) The first person named on the stock certificate/subscription agreement is responsible for the full amount of any in-store IOU as long as the receipt is signed by a person authorized by a Member to use his/her household account.

- 5) The first person named on the stock certificate/subscription agreement is responsible for the full amount of any check bounced at WFC by a person authorized by a Member to use his/her household account.

IOU AND OTHER CREDIT POLICIES FOR MEMBERS

As amended by the Board of Directors on 5/18/09 to be effective on 1/1/10

PURPOSE: To protect the financial integrity of WFC.

IOUS AND BOUNCED CHECKS:

WFC members with fully paid-in equity may charge purchases to a maximum of \$20.00 payable within two (2) weeks from the date incurred. Members who wish to charge on their account must show proper identification before the transaction is completed. IOUs must be signed by the maker. IOUs may not, under any circumstances, be paid with Food Stamps or EBT card. WFC asks that its members only use the charge system for emergencies. IOU accounts



MEMBER POLICIES continued

should not be prepaid to cover future charges.

- Members with an IOU account credit balance will receive a reminder of that balance on each purchase receipt.
- Members with an IOU debit balance will receive a reminder of that balance on each purchase receipt.

If WFC is not reimbursed by a member within sixty (60) days from the date of an overdue IOU for the amount of that IOU, that person's membership may be terminated by the Board and any remaining stock, after reimbursement for all indebtedness owed to WFC, will be converted to non-voting Class B stock. If WFC is not reimbursed within sixty (60) days from the date of a check bounced by a Member or by any person listed as a Household Member on a Member's account for the amount of that check plus the amount of any administrative fee, that membership may be terminated by the Board and any remaining stock, after reimbursement for all indebtedness owed to WFC, will convert to non-voting Class B stock.

If an individual listed as a household member on a Member's account bounces a check at WFC, the Member will be apprised in writing.

IOU credit balances over sixty (60) days will be credited to the Member's non-voting Class B stock and the IOU account will be adjusted to zero.

Members may request the return of Class B stock in excess of the amount required by the By-Laws by submitting to the Board a Request to Terminate that excess stock.

At the discretion of the General Manager, member business and non-profit agency accounts may have higher IOU limits and/or extended payment terms.

SPECIAL ORDERS:

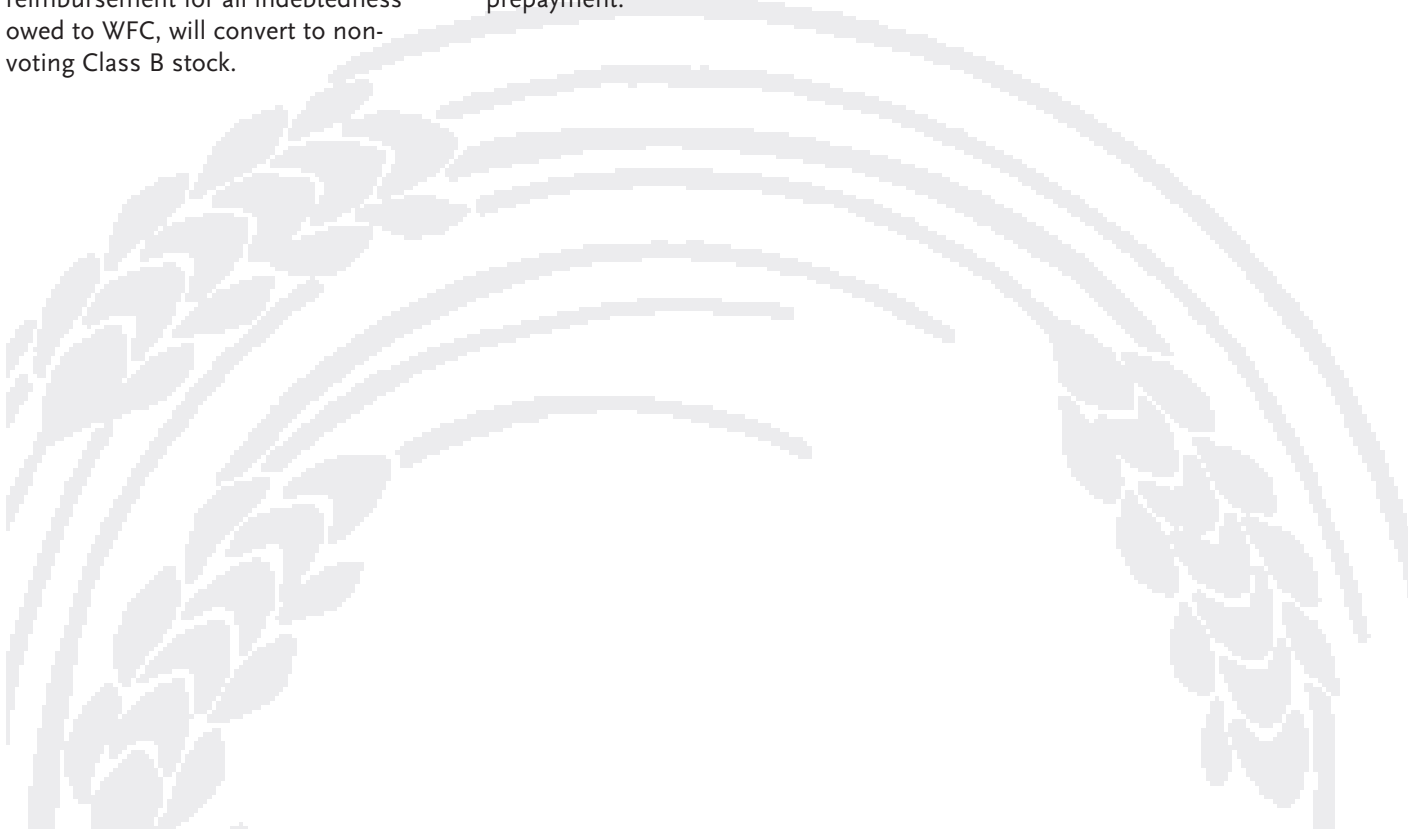
Special orders not picked up or paid for within thirty (30) days of the time items are received at WFC will be put out for sale or disposed of at management discretion. Future special orders from members or from non-members who have not previously promptly paid for and/or picked up special orders, at management discretion, may require prepayment.

NEWSLETTER ADS

Members may charge the cost of advertising their business in WFC's newsletter under the same IOU payment terms as noted above but on an IOU account separate from the member's IOU account for inventory purchases.

Members will be mailed an invoice within ten (10) days of the date of publication for the amount of the advertising charge. Failure to pay the amount due is then subject to the provisions of this IOU policy.

NOTE: Memberships with IOUs and/or other credit problems in excess of sixty (60) days may be placed on inactive status by management pending Board action. Purchases by inactive members will not be recorded and will not count toward eligibility for a patronage rebate. Purchases by inactive members are not eligible for member discounts or member specials. Memberships inactivated or terminated due to credit problems will be eligible for reactivation subject to Board discretion with respect to access to member credit benefits.





610 East 4th Street
Duluth MN 55805

218.728.0884

www.wholefoods.coop