

ARTICLES OF INCORPORATION LOVETTSVILLE COOPERATIVE MARKET, INC.

ARTICLE I NAME

The name of the cooperative is "Lovettsville Cooperative Market, Inc." (the "Cooperative").

ARTICLE II PURPOSE

The Cooperative is formed as a cooperative association under the provisions of Article 3 of the Virginia Nonstock Corporation Act (the "Act") and Article 1 of Chapter 3, "Cooperative Associations," both Articles being a part of Title 13.1 of the Code of Virginia of 1950, as amended. The Cooperative is formed for the purpose of conducting a neighborhood grocery store on the cooperative plan.

ARTICLE III MEMBERSHIP

The Cooperative shall have one class of members, which shall have voting rights and such other rights and qualifications as the Cooperative's bylaws shall provide from time to time.

ARTICLE IV DIRECTORS

Section 1. Number of Directors and Term of Office. All corporate powers of the Cooperative shall be exercised by or under the authority of, and the business and affairs of the Cooperative managed under the direction of, the Board of Directors. The number of directors shall be not less than five (5) nor more than nine (9), the exact number within such range to be set by the Board of Directors of the Cooperative from time to time. The Board of Directors shall be divided into two (2) classes, each class to be as nearly equal in number as possible, with the term of office of the initial directors expiring as indicated in Section 2 below and, thereafter, with the term of office being two years. Except for the initial Board of Directors which is named below, directors shall be elected by the members of the Cooperative.

Section 2. Initial Directors. The initial Board of Directors shall consist of five (5) persons, whose names, addresses and initial term of office is indicated below:

<u>Name</u>	<u>Address</u>	<u>Initial Term</u>
<i>Odd-Year Directors:</i>		
Michelle McIntyre	45 S. Loudoun Street Lovettsville, VA 20180	Until 2012 annual members' meeting
Katrina Clayton	12386 Mountain Road Lovettsville, VA 20180	Until 2012 annual members' meeting
<i>Even-Year Directors:</i>		
Pamela L. Baldwin	39595 Weatherlea Farm Lovettsville, VA 20180	Until 2013 annual members' meeting
Tiffany Carder	17 Hammond Drive Lovettsville, VA 20180	Until 2013 annual members' meeting
Warren M. Howell	37803 Alder School Road Purcellville, VA 20132	Until 2013 annual members' meeting

ARTICLE V
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Cooperative shall be located in the Town of Lovettsville, Virginia, and the address of such registered office shall be 17 Hammond Drive, Lovettsville, Virginia, 20180. The name of the initial registered agent shall be Tiffany Carder, who is a resident of the Commonwealth of Virginia and an initial director.

ARTICLE VI
INDEMNIFICATION AND LIMITATION OF LIABILITY

Section 1. Indemnification of Directors and Officers. Except as provided in Section 2 of this Article, the Cooperative shall indemnify every individual made a party to a proceeding because he is or was a director or officer against liability incurred in the proceeding if: (i) he conducted himself in good faith; and (ii) he believed, in the case of conduct in his official capacity with the Cooperative, that his conduct was in its best interests and, in all other cases, that his conduct was at least not opposed to its best interests (or in the case of conduct with respect to an employee benefit plan, that his conduct was for a purpose he believed to be in the interests of the participants of and beneficiaries of the plan); and (iii) he had no reasonable cause to believe, in the case of any criminal proceeding, that his conduct was unlawful.

Section 2. Indemnification Not Permitted. The Cooperative shall not indemnify any individual against his willful misconduct or a knowing violation of the criminal law or against any liability incurred by him in any proceeding charging improper personal benefit to him, whether or not by or in the right of the Cooperative or involving action in his official capacity, in which he was adjudged liable by a court of competent jurisdiction on the basis that personal benefit was improperly received by him.

Section 3. Effect of Judgment or Conviction. The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative that an individual did not meet the standard of conduct set forth in Section 1 of this Article or that the conduct of such individual constituted willful misconduct or a knowing violation of the criminal law.

Section 4. Determination and Authorization. Unless ordered by a court of competent jurisdiction, any indemnification under Section 1 of this Article shall be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of the individual is permissible in the circumstances because: (i) he met the standard of conduct set forth in Section 1 of this Article and, with respect to a proceeding by or in the right of the Cooperative in which such individual was adjudged liable to the Cooperative, he is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances even though he was adjudged liable; and (ii) the conduct of such individual did not constitute willful misconduct or a knowing violation of the criminal law.

Such determination shall be made: (i) by the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding; or (ii) if such a quorum cannot be obtained, by a majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; or (iii) by special legal counsel selected by the Board of Directors or its committee in the manner heretofore provided or, if such a quorum of the Board of Directors cannot be obtained and such a committee cannot be designated, selected by a majority vote of the Board of Directors (in which selection directors who are parties may participate); or (iv) by the members, excluding any member who is a party to the proceeding. Authorization of indemnification, evaluation as to reasonableness of expenses and determination and authorization of advancements for expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those selecting such counsel.

Section 5. Advance for Expenses. The Cooperative may pay for or reimburse the reasonable expenses incurred by any individual who is a party to a proceeding in advance of final disposition of the proceeding if: (i) he furnished the Cooperative a written statement of his good faith belief that he has met the standard of conduct described in Section 1 of this Article and a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that indemnification of such individual in the specific case is not permissible; and (ii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. An undertaking furnished to the Cooperative in accordance with the provisions of this Section shall be an unlimited general obligation of the

individual furnishing the same but need not be secured and may be accepted by the Cooperative without reference to financial ability to make repayment.

Section 6. Indemnification of Employees and Agents. The Cooperative may, but shall not be required to, indemnify and advance expenses to employees and agents of the Cooperative to the same extent as provided in this Article with respect to directors and officers.

Section 7. Elimination of Liability of Directors and Officers. Except as provided in Section 8 of this Article, in any proceeding brought by or in the right of the Cooperative or brought by or on behalf of members of the Cooperative, a director or officer of the Cooperative shall not be liable in any monetary amount for damages arising out of or resulting from a single transaction, occurrence or course of conduct.

Section 8. Liability of Directors and Officers Not Eliminated. The liability of a director or officer shall not be eliminated in accordance with the provisions of Section 7 of this Article if the director or officer engaged in willful misconduct or a knowing violation of the criminal law or of any federal or state securities law, including without limitation, any claim of unlawful insider trading or manipulation of the market for any security.

Section 9. Definitions. In this Article:

“Director” and “officer” mean an individual who is or was a director or officer of the Cooperative, as the case may be, or who, while a director or officer of the Cooperative is or was serving at the Cooperative’s request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

“Individual” includes, unless the context requires otherwise, the estate, heirs, executors, personal representatives and administrators of an individual.

“Cooperative” means the Cooperative and any domestic or foreign predecessor entity of the Cooperative in a merger or other transaction in which the predecessor’s existence ceased upon the consummation of the transaction.

“Expenses” includes but is not limited to counsel fees.

“Liability” means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

“Official capacity” means: (i) when used with respect to a director, the office of director in the Cooperative; (ii) when used with respect to an officer, the office in the Cooperative held by him; or (iii) when used with respect to an employee or agent, the employment or agency relationship undertaken by him on behalf of the Cooperative.

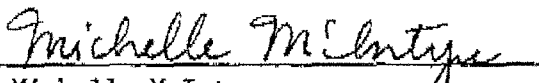
“Party” includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

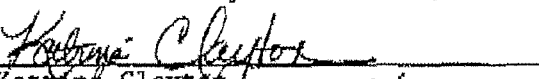
Section 10, Provisions Not Exclusive. As authorized by the Act, the provisions of this Article are in addition to and not in limitation of the specific powers of a corporation to indemnify directors and officers set forth therein. If any provision of this Article shall be adjudicated invalid or unenforceable by a court of competent jurisdiction, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Cooperative may have under the Act or other laws of the Commonwealth of Virginia.

Given under our hands this 17th day of January, 2011.


Pamela Lane Baldwin


Tiffany D. Carder


Michelle McIntyre


Katrina Clayton


Warren M. Howell