

Certificate of Formation – The Black Star Co-op

Article 1 – Type, Name, and Duration

- 1.1 – The filing entity being formed is a cooperative association in accordance with Chapter 251 of the Texas Business Organizations Code.
- 1.2 – The name of the association is The Black Star Co-op.
- 1.3 – This association is formed to exist perpetually.

Article 2 – Purpose

- 2.1 – The association is formed on a cooperative basis for the benefit of its members, and may undertake any lawful action to that end.

Article 3 – Registered Office and Agent

- 3.1 – The initial registered office is at 2915 Hampton Rd Austin, TX 78705.
- 3.2 – The registered agent at that office is Steven Yarak.

Article 4 – Management and Initial Board of Directors

- 4.1 – The management of the association is vested in a Board of Directors.
- 4.2 – The initial Board of Directors shall consist of 5 members.
- 4.3 – The names and addresses of the initial directors are:
 - 1) Steven Yarak, 2915 Hampton Rd Austin, TX 78705
 - 2) Jacob Morris, 4500 E Oltorf #401 Austin, TX 78741
 - 3) Johnny Livesay, 1200 W 40th St #114 Austin, TX 78756
 - 4) Jeff Young, 4004 Victory Dr #C303 Austin, TX 78704
 - 5) Christian Serna, 910 W Elizabeth Austin, TX 78704
- 4.4 – Within 30 days of this filing the membership shall adopt bylaws, and subsequently hold general elections for the number of board positions enumerated therein.

Article 5 – Investor Shares

- 5.1 – This association is organized with investor shares; as of this filing, no investor shares are either subscribed for or paid in.
- 5.2 – The maximum permitted capital the association may accept for investment is \$1,000,000.
- 5.3 – The association is authorized to issue up to 10,000 investor shares at a par value of \$100. Investor shares have the following characteristics:
 - 1) Non-assessable
 - 2) Non-voting
 - 3) Cumulative investment dividends are authorized, as provided by the Business Organizations Code and the bylaws of the association
 - 4) Investors may hold their shares for investment purposes only. Restrictions to transferability of shares and provisions for a 90 day right of first refusal by the association will be provided in the bylaws and noted as a legend on each investor share certificate. Investors holding investor shares can only sell, assign or convey his/her certificates in strict accordance with the bylaws of the association, and only after furnishing evidence satisfactory to the Board of Directors that any such sale, assignment or conveyance would not be violative of the Securities Act of 1933, as

amended, the Securities Act of the State of Texas, as amended, or any other applicable federal or state securities statute, rule or administrative order.

5.4 – The membership of the association shall retain full rights, including full voting rights, under the conditions as provided in the bylaws. The association hereby ratifies the issuance of membership cards to members as valid, sufficient and continuing evidence of membership rights in the association.

Article 6 – Dissolution

6.1 – In the event of the dissolution or termination of the association, any surplus held by the association shall be distributed in the following manner and order:

- 1) by paying all outstanding debts and expenses
- 2) by repaying investors the par value of their capital
- 3) by returning to the membership their share capital
- 4) by distributing any remainder among the patrons of the co-op who have been members in the past six years preceding the date of dissolution, on the basis of patronage during that period

Organizer

Name and address of the organizer:

Steven L. Yarak
2915 Hampton Rd
Austin, TX 78705

Effectiveness of Filing

This document becomes effective when filed by the Secretary of State.

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Signature of organizer: _____

Date: _____