

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

MAGIC VALLEY MILK PRODUCERS ASSOCIATION, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that
duplicate originals of Articles of Incorporation for the incorporation of _____

MAGIC VALLEY MILK PRODUCERS ASSOCIATION, INC.,
duly signed pursuant to the provisions of the Idaho Cooperative Marketing Act, have been
received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of
Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated January 16, 1981



SECRETARY OF STATE


Corporation Clerk

ARTICLES OF INCORPORATION OF THE
MAGIC VALLEY MILK PRODUCERS ASSOCIATION, Inc

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On the 3rd day of January 1987, Burley, Idaho at
a meeting of the members of the Magic Valley Milk
Producers Association, the following ARTICLES OF
INCORPORATION were, by unanimous vote, duly
adopted:

ARTICLE I

NAME The name of this Association shall be Magic Valley
Milk Producers Association, Inc

ARTICLE II

PRINCIPAL PLACE OF BUSINESS The place where the principal business of the Association will be transacted is Twin Falls, Idaho and the territory in which its operations are to be conducted or parts of counties immediately contiguous thereto, and generally within the states of Idaho & Utah, and in all other states and counties to which its business transactions may be extended. Registered Agent and Location is: Gene Brice, 633 E. Main, Burley, Id 83318

ARTICLE III

BUSINESS AND PURSUIT The business and pursuit of this Association, stated in general terms, is as follows:

EXECUTING DECLARED POLICIES Sec. 1- To do and perform all acts and things consistant with the declared policy of the United States of America with reference to the marketing of agricultural products and as authorized and provided for under the terms of the several acts of Congress relative thereto, and to conform to, carry out the purposes of, and exercise the powers authorized by the Agricultural Cooperative Association Act of the State of Idaho.

GENERAL POWERS Sec. 2- To systematize, improve and render more efficient the business of dairying in the surrounding territory generally, and to serve the interests of the producers who shall become members hereof, and others, in receiving, processing, marketing and otherwise handling, on a cooperative basis the dairy products produced by them, and the by-products thereof, and to carry on all activities relative or incidental thereto; and in conducting said business, to serve as a medium for and promote unity of effort among the producers of the products to be handled by it and in the prosecution of said objects and purposes.
A.- To promote, encourage, foster and facilitate

MARKETING PRODUCTS	the economical, orderly and efficient production, distribution and sale of dairy products and the by-products thereof.
FACILITIES	B.- To establish, conduct, operate or maintain all necessary facilities, including plants, land, equipment, and machinery, vehicles, fixtures, furnishings, and all other things whatsoever necessary in carrying on said business.
ACQUIRE PROPERTY	C.- To acquire, own, operate, mortgage, control, hypothecate, sell and transfer any and all kinds of real and personal property necessary to be used in the carrying on of said business.
DEALING WITH MEMBERS AND OTHERS	D.- To act as and serve as agent for, or to purchase from its members and others, and to process, transform, treat, manufacture, hypothecate, pledge, encumber, sell and otherwise deal with and handle the products and by-products of its members and others and to purchase for and sell for its members and others, supplies, equipment, and machinery, provided that it shall not deal in the products and by-products of non-members in an account in excess of that handled by it for members, nor shall it purchase for non-members supplies, equipment and machinery in an amount greater than that purchased for members; and provided, further, that no more than fifteen percent (15%) of such non-members shall be non-producers of the products marketed by the association.
MARKETING CONTRACTS	E.- To enter into contracts for the exclusive handling and sale of the agricultural products handled by it, by the terms of which contracts it may serve either as agent in the receiving, processing and otherwise handling, and in the marketing and sale of such products and the by-products thereof, or by the terms of which it may purchase any or all of such products for resale. The Association may also negotiate, bargain for, and contract for the sale of such products and by-products directly from the producer thereof to the purchaser thereof. The Association may, at will, co-mingle, pool, blend, grade and standardize any and all products handled by it.
BORROWING MONEY AND PLEDGING PROPERTY	F.- To borrow money for any and all purposes of this Association without limit, and to pledge, hypothecate, mortgage, and otherwise encumber any of its property or any of the products of its members, or others, in its possession or under its control.

EXECUTING NOTES AND LIENS	G.- To draw, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, bonds, warrants, certificates, and any and all other evidences, of debt or obligations, and to negotiate or transfer the same from any and all purposes within the scope of the objects and the purposes for which this Association is formed and to gieve liens on any of the assets of the Association as security thereof.
STOCK OTHER ASSOCIATION	H.- To acquire and hold stock, and/or membership in other similar associations within or without the State of Idaho and to exercise all the rights and privileges of stockholder or member therein; to sell its stock to other associations similar in character; and to cooperate to the fullest extent with other associations in accomplishing the objects and purposes as herein set forth.
GENERAL POWERS	Sec. 3- To do any and all of the things therein before set forth to the same extent as natural persons might or could do, at any place, either as principal or agent, or as contractor, trustee, or otherwise, alone or in company with others, and in addition to all the powers herein enumerated, this Association may perform all other functions deemed necessary in the carrying out of said objects and purposes.
CONTRUC- TIONS	Sec.4- The foregoing shall be construed both as business and pursuit and as powers, and the enumeration of any specified objects, purposes, or powers shall not be held to limit, abridge, or restrict in any manner the general powers expressed herein or conferred on this Association by the Laws of the State of Idaho, or of the United States, all of which powers are hereby expressly claimed.
ARTICLE IV	
MEMBERSHIP	This corporation is organized without capital stock. Every producer of dairy products who signs the Association Marketing Contract shall become a member of the Association when such marketing contract is duly approved and executed by the duly authorized officers of the Association. The Board of Directors by a three-fourths (3/4) vote may for cause determine that it is for the best interests of the Association that any membership contract may be terminated. Termination of any producer's marketing contract shall thereby terminate such person's membership in the Association. Each member of the Association shall be entitled to one
TERMINATION	

VOTING
POWER

vote at all membership meetings of the Association.

ARTICLE V

PROPERTY
INTEREST

This cooperative Association is organized as a service organization for its members and not as an investment corporation. The property interests of the members of the Association in the assets of the corporation shall be determined by their respective certificates of interest or certificates of equity issued by the Association. Such certificates of interest shall be subsequent in right to the claims of all creditors of the Association. In case of dissolution or discontinuance of business of the corporation, the assets of the corporation after payment of debts shall be pro-rated among the members in proportion to their certificates of interest or certificate of equity as appears on record on the books of the company.

CREDITORS
PRIORITY

ARTICLE VI

DIRECTORS,
OFFICERS
AND
MEETINGS

Sec.1- THE BOARD OF DIRECTORS shall initially consist of Five Directors elected from the membership at large. Any member, not a District Director, who shall be elected to the office of President, Vice President, and Secretary, shall be a Director for the term he or they are elected to such office. The term of office of the directors shall be for two (2) years and until their successors are elected and shall have qualified. The by-laws may make provision for a different term of office for the directors and officers.

ONE HALF
ELECTED EACH
YEAR

Until otherwise provided in the By-Laws at each regular membership meeting, directors shall be elected for the term of two years to succeed those whose terms expire at said time, it being contemplated that one half of the number of directors will be elected at each annual meeting. A majority of the Board of Directors shall constitute a quorum.

DISTRICTING
TERRITORY

Sec.2- The By-Laws may provide for the division of the Territory within which this association shall operate into Districts (the number and boundaries of which may be changed from time to time at the discretion of the Board of Directors) and for the nomination and selection of Directors from such districts. The By-Laws may also provide for the manner of electing officers and directors.

EXECUTIVE
COMMITTEE

Sec.3- The By-Laws may provide for the election of an Executive Committee from the Board of Directors and may define the powers and duties of such Committee.

ANNUAL
MEETING

Sec.4- Until otherwise prescribed in the By-Laws, the regular annual membership meeting of this Association shall be held on the first Thursday after the first Monday of March of each year if not a legal holiday, and if a legal holiday, then the day next succeeding, at the principal place of business or at such time and place in Twin Falls, Idaho, as may be designated by the Board of Directors.

OFFICERS

Sec.5- The officers of this Association shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, each of whom shall be a member of the Association. At the first meeting of the Board of Directors following each Annual Meeting, the officers of the Association shall be elected by the Board of Directors, to serve for a term of one (1) year and until their successors are elected and shall have qualified. The offices of Secretary and Treasurer may be held by one person.

OFFICERS TO
SERVE UNTIL
NEXT ANNUAL
MEETING

Sec.6- The names and addresses of the individuals who shall serve as Officers and Directors of this Association until the next regular annual membership meeting are as follows:

NAME:

ADDRESS:

OFFICE:

EXP. OF TERM:

Gene Brice
John Sudek
Jack Van Beek
Gary Coleman
Glen Ward

Rupert, Idaho 83350 President
Twin Falls, Idaho 83301 Vice-Pres.
Jerome, Idaho 83338 Sec., Tres.
Hagerman, Idaho 83334 Director
Burley, Idaho 83318 Director

March , 1988 R+2 Box 180
March , 1988 R+1 Box 1726
March , 1988 R+3 Box 3411
March , 1988 P.O. Box M
March , 1988 400S 22SE R+2

ARTICLE VII

SPECIAL
POWERS
OF BOARD

In furtherance, and not in limitation of the powers and privileges conferred by the laws of the State of Idaho and of the United States, the Board of Directors is specially authorized;

AGREEMENT
FOR LOANS

a. To enter into such agreements, stipulations or arrangements with any bank or agency, public or private, as may be deemed adviseable, for obtaining, securing, protecting, safeguarding and insuring the repayment of loans made to this Association by any such bank or agency.

- RESERVES
AND SURPLUS** b. To set apart out of any of the funds of the Association a reserve for any proper purpose, and to abolish necessary surplus funds, which may consist of uniform deductions from the proceeds of sale of members products and of service fees from non-members, and of savings affected by joint purchases for members and other producers, and to invest such reserve and surplus funds in securities or such other property as may be provided for by the By-Laws, or to distribute to members such funds as patronage dividends or otherwise.
- SECURITY
FOR LOANS** c. To authorize and cause to be executed mortgages, liens and any and all other encumbrances, whatsoever, upon the interest, property and franchises of this Association.
- EXTENDED
POWERS** d. To do each and every thing necessary, suitable or proper for the accomplishment of any one or more of the purposes, or the attainment of any one or more of the objects herein, or in the said Agricultural Cooperative Associations Act enumerated, or conducive to or expedient for the interests or benefit of the Association, and to exercise all powers, rights, and privileges necessary or incident thereto, including the exercise of any rights, powers, and privileges granted by the laws of Idaho, to corporations generally.

ARTICLE VIII

RESERVES This corporation is formed to function on cooperative basis for the mutual benefit of its members under title 22-2601 et seq. of the Idaho Code. Reasonable reserves, retains or savings, as determined by the Board of Directors, may be set aside from year to year. After setting aside such reserves, retains or savings, and after the payment of a fair rate of interest on outstanding certificates of interest payable only at the discretion of the Board of Directors, but not in excess of 8% per year, the balance of the net earnings or savings of the Association shall be distributed on a patronage basis to the members and patrons of the Association who shall have contributed to the business of the Association in proportion to the bolume and value of the products of the member and patron marketed through the Association. Amounts carried to reserve, retains or savings from the business done in any year shall be allocated on the books of the Association on a patronage basis for that year, or in lieu thereof, the books and records of the Association

shall afford a means of doing so at any time, so that in the event of dissolution, or earlier if deemed advisable in the sole discretion of the Board of Directors, such assets, reserves, retains or savings, or any remaining part thereof, may be returned to the members and patrons.

**CERTIFICATES
OF INTEREST**

The Association may from time to time issue to the members and patrons certificates of interest evidencing their respective interest in any fund, capital investment or other assets of the Association. The form and substance and the manner and term of payment, if any, of such certificates of interest and the time and manner of issuing the same may be determined by the Board of Directors. Such certificates of interest may be transferred only to the Association, or to such other purchasers as may be approved by the Board of Directors, and upon such terms and conditions as shall be provided for in the By-Laws.

**INTEREST
PAYMENTS**

The Board of Directors may authorize payment of interest on outstanding certificates of interest not exceeding 8% per annum, until otherwise provided by resolution of the Board of Directors.

ARTICLE IX

TERM

This corporation shall exist for a term of fifty years (50) from the date of original incorporation.

ARTICLE X

**FISCAL
YEAR**

Until otherwise provided by resolution of the Board of Directors or the By-Laws, the fiscal year of this Association shall begin on the first day of January and end on the 31st day of December of each year.

ARTICLE XI

NON-LIABILITY

The private property of the members of this corporation shall not be subject to the payment of the corporation debts in any amount whatsoever.

ARTICLE XII

**APPROVAL
OF LENDING
AGENCY**

In the event that this corporation shall become indebted to any public lending agency and so long as any such indebtedness may continue, the business policies and the general management of this Association shall be such as are satisfactory to such agency.

ARTICLE XIII

ACCOUNTS

The books and accounts of this Association, or any of them, shall at all reasonable times be open to the inspection of the members.

ARTICLE XIV

BRANCH OFFICES

This corporation may establish and maintain branch offices at any point or points in the United States.

ARTICLE XV

That Article XVI as heretofore existing in these Articles is hereby eliminated from the Articles of Incorporation and is no longer a part thereof.

ARTICLE XVI

AMENDMENT TO ARTICLES

This corporation reserves the right to amend, alter, change or repeal any provision contained in these Amended Articles of Incorporation in the manner now or hereafter prescribed by law, and all rights conferred on officers, directors, and members herein are granted subject to this reservation.

ARTICLE XVII

INCORPORATORS

The names and places of residence of the original incorporators of this Association are set forth in The Articles of Incorporation filed in the office of the Secretary of State of the State of Idaho and are as follows:

Gene Brice Rt 1 Box 198 Rupert, Idaho 83360
John Sudek Rt 1 Box 174 Twin Falls, Idaho 83301
Jack Van Beek Rt 3 Box 3411 Jerome, Idaho 83338
Gary Coleman P.O. Box 2 Hagerman, Idaho 83334
Glen Ward 4005 225 E. Rt 2 Burley, Idaho 83318

ARTICLE XVIII

AUTHORITY TO ORGANIZE

The undersigned five incorporators are engaged in the production of agricultural products within the state of Idaho and organize this association under the provisions of the Cooperative Marketing Act of the State of Idaho as set forth above.

ADOPTED this 2nd day of January, 1987.

Gene Brice
Gene Brice

John Sudek
John Sudek

Jack Van Beek
Jack Van Beek

Gary R Coleman
Gary Coleman

Glen Ward
Glen Ward

Subscribed and sworn to me this 15th day of January, 1987.

Morris Brice
Notary Public

Commission Expires: 10-1-87
Residing at: 10-1-87, Idaho
Rupert