

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
SUN VALLEY POTATO GROWERS, INC.**

*For Office Use Only*

**-FILED-**

File #: 0003785959

Date Filed: 2/20/2020 10:13:00 AM

KNOW ALL PERSONS BY THESE PRESENTS:

Pursuant to the applicable provisions of the Idaho statutes, the undersigned cooperative marketing association ("Cooperative"), pursuant to a resolution unanimously adopted by its full board of directors at a meeting held on February 18<sup>th</sup> 2020, the following Restated Articles of Incorporation are hereby adopted:

**ARTICLE I.**

NAME

The name of this Cooperative is Sun Valley Potato Growers, Inc.

**ARTICLE II.**

DURATION

The duration of this Cooperative is perpetual.

**ARTICLE III.**

PURPOSES AND POWERS

Section 1. Purposes. The purposes of this Cooperative shall be to handle, process, and/or market the potatoes of its members and other producers; to purchase, handle, and distribute agricultural supplies and equipment to its members and other patrons; to perform any and all related services for its members and other patrons; and to engage in any other lawful purpose. This Cooperative shall be operated on a cooperative basis for the mutual benefit of its members.

Section 2. Powers. This Cooperative shall have all the powers, privileges and rights conferred on cooperative marketing associations by the laws of the State of Idaho, including without limitation all powers necessary or convenient to affect any or all of the purposes for which this Cooperative is organized, but shall possess no greater powers than those given a Cooperative Marketing Association under Idaho Code Title 22, Chapter 26 as of the date that these Amended and Restated Articles of Incorporation were adopted.

B0476-3883 02/20/2020 10:13 AM Received by ID Secretary of State Lawrence Denney

Section 3. Limitations. This Cooperative shall not:

- (a) handle, process, or market the products of nonmembers;
- (b) purchase supplies and equipment for nonmembers; or
- (c) provide services for nonmembers

in an amount the value of which exceeds the value of the products, equipment, or services that are handled, processed, marketed, purchased, or provided for members.

Section 4. Definition of "Agricultural Producer." For purposes of these articles of incorporation and the bylaws of this Cooperative, and pursuant to Idaho Code §§ 22-2602(d) and 22-2607, the term "agricultural producer" shall mean and include any individual, firm, partnership, business corporation, or cooperative association that is engaged in the production of fresh market potatoes to be handled by or through this Cooperative, and cooperative associations of such agricultural producers. Any individual, firm, partnership, business corporation, or cooperative association that is a tenant on land used to produce fresh market potatoes, or a lessor of such land who receive as rent part of the crop of fresh market potatoes raised on the leased premises, which part of the crop is to be handled by or through this Cooperative, shall be considered to be actually engaged in the production of agricultural products.

For the avoidance of doubt, no individual, firm, partnership, business corporation, or cooperative association qualifies as an agricultural producer under this definition by virtue of having ownership, possession, or legal interest in fresh market potatoes, but who did not:

- (a) produce the fresh market potatoes itself,  
...or...
- (b) receive the fresh market potatoes in its capacity as landlord or lessor as payment of rent for the land on which the fresh market potatoes were produced,  
...and in either case...
- (c) intend for its fresh market potatoes to be handled by or through the Cooperative.

#### **ARTICLE IV. CAPITAL STOCK**

Section 1. Authorized Capital. This Cooperative is authorized to issue the following shares of capital stock:

- (a) One hundred (100) shares of Common Stock having a par value of one dollar (\$1.00) per share; and
- (b) Twenty-six (26) classes (Classes A-Z) of Patron Preferred Stock, with Six million (6,000,000) shares available in each class of stock, and each share having a par value of Forty Cents (\$0.40) per share.

Section 2. Membership Stock: Common Stock. This Cooperative is organized with membership stock. The Common Stock of this Cooperative shall be the only class of voting stock. Members of

this Cooperative shall be required to own one share of Common Stock and shall not own more than one share of Common Stock. Common Stock shall only be issued to and held by agricultural producers, or cooperative associations composed of agricultural producers, that are eligible for membership and have been approved as members of this Cooperative by its Board of Directors. Holders of Common Stock shall be entitled to vote in the affairs of this Cooperative in accordance with the Bylaws. Holders of Common Stock shall not transfer their shares without the prior written approval of the Board of Directors. No dividends shall be paid on Common Stock. The Common Stock may be redeemed as provided in the Bylaws of the Cooperative.

### Section 3. Patron Preferred Stock.

#### Paragraph 1. Ranking.

The Patron Preferred Stock shall, with respect to rights on liquidation, dissolution or winding up, rank prior to all other capital stock of the Cooperative.

#### Paragraph 2. Rights.

(a) No Rights to Dividends. The holders of Patron Preferred Stock shall not be entitled to receive any dividends.

(b) Supply Rights or Quota. The holders of Patron Preferred Stock shall be entitled and obligated to supply through the Cooperative one (1) cwt of potatoes per share of Patron Preferred Stock held in accordance with the rules and regulations established by the Board of Directors and which govern supply rights and quotas as may exists from time to time.

(c) Priority Given to Supply Covered by Patron Preferred Stock. As supply rights are based on the number of Patron Preferred Stock held by the member, and as each member is both entitled and obligated to supply one (1) cwt of potatoes per share of Patron Preferred Stock held, the Cooperative shall give priority to handling, processing, or marketing product that is covered by a member's Patron Preferred Stock. The Cooperative reserves the right, at the Cooperative's discretion, either (i.) to refuse to handle, process, or market product above and beyond a member's Preferred Stock supply rights or quota, for any reason, including but not limited to the Cooperative's limited processing capabilities in light of the volume expected when all members supply their Preferred Stock supply right or quota; or, (ii.) to charge additional fees and/or to require the purchase of additional Preferred Stock, as determined by the Board of Directors, to handle, process, or market product above and beyond a member's Preferred Stock supply rights or quota.

#### Paragraph 3. Classes of Patron Preferred Stock (A-Z).

The Board of Directors may authorize the issuance of new classes of Patron Preferred Stock (from among the classes A-Z) as it deems necessary for the efficient management and

organization of the Cooperative's activities. By way of example, and not by way of limitation, the Board may issue a new class of Patron Preferred Stock to raise the capital necessary to enter into the market of a new variety of potato and may limit the supply rights and quotas of that potato variety to holders of that particular class of Patron Preferred Stock.

Paragraph 4. No Voting Rights.

Holders of Preferred Stock shall have no right to vote at any regular or special meeting of the common stockholders of the Cooperative.

Paragraph 5. Transfer.

No certificates evidencing Patron Preferred Stock shall be issued by the Cooperative. The Cooperative shall register on its books and in its records the ownership of the shares of its capital stock. At the written request of the holder of a share of Patron Preferred Stock, and upon the approval of the Board of Directors, the Cooperative shall register on its books and in its records any change of ownership of such shares, which registration shall be the official evidence of ownership of shares of Patron Preferred Stock in the Cooperative.

Section 4. Liquidation. Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Cooperative, the holders of Patron Preferred Stock will be entitled to be paid, before any distribution or payment is made upon any other capital stock of the Cooperative, an amount in cash equal to the par value thereof. If upon any such liquidation, dissolution or winding up of the Cooperative, the Cooperative's assets to be distributed among the holders of the Patron Preferred Stock are insufficient to permit payment to such holders of the aggregate par value of each share of Patron Preferred Stock, then the entire assets to be distributed will be distributed pro rata among such holders. The Cooperative will mail written notice of such liquidation, dissolution or winding up, not less than 60 days prior to the payment date stated therein, to each record holder of Patron Preferred Stock. Neither the consolidation or merger of the Cooperative into or with any other cooperative, corporation or partnership, nor the sale or transfer by the Cooperative of all or any part of its assets, nor the reduction, restatement or recapitalization of the capital stock of the Cooperative, will be deemed to be a liquidation, dissolution or winding up of the Cooperative within the meaning of this Section 4 unless done in connection with a liquidation, dissolution or winding up.

**ARTICLE V.**  
**PATRONAGE REFUNDS**

All net income (savings) of this Cooperative shall be distributed to members based on patronage, as more particularly provided for in the Bylaws.

Patronage refunds may be distributed in cash, or in patronage credits or equities, as more particularly provided for in the Bylaws. Any such patronage credits or equities shall be redeemable only at the option of the Board of Directors.

**ARTICLE VI.**  
**FIRST LIEN**

This Cooperative shall have a first lien on all Common Stock, Patron Preferred Stock, and patronage credits or equities, for all indebtedness of the respective holders to the Cooperative. This Cooperative shall also have the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the amount of capital stock, patronage credits or equities, or other interests standing on its books; provided, however, that nothing contained herein shall give the owners of capital stock, patronage credits or equities, or other interests any right to have such a set off made.

**ARTICLE VII.**  
**DISSOLUTION**

In the event of any dissolution or liquidation of this Cooperative, whether voluntary or involuntary, and after all debts and liabilities of this Cooperative have first been paid according to their respective priorities, the remaining assets will be distributed in the following manner and order of preference:

(a) All capital, other than capital stock, furnished through patronage shall be distributed without priority on a pro rata basis to the members to whom it is allocated on the books of this Cooperative;

(b) The Patron Preferred Stock shall be redeemed at par value;

(c) The Common Stock shall be redeemed at par value; and

(d) Any remaining assets of this Cooperative shall be distributed among the members of this Cooperative in the proportion which (i.) the aggregate patronage of useable potatoes (i.e., potatoes packed or potatoes sold to dehydrators) of each member for the prior 10 years bears to (ii.) the total patronage of useable potatoes of all members for the prior 10 years, as shown by the records of the Cooperative.

**ARTICLE VIII.**  
**REGISTERED AGENT AND REGISTERED OFFICE**

The street address of the amended and restated registered office of this Cooperative is 375 W. 100 S., Rupert, ID 83350. The name of the amended and restated registered agent of this Cooperative, whose business office is identical to such registered office, is Randy Hardy.

**ARTICLE IX.**  
**MAILING ADDRESS**

The mailing address of this Cooperative to which the Secretary of State may mail notices as required by Idaho statutes is P.O. Box 59, Paul, ID 83347.

**ARTICLE X.**  
**BOARD OF DIRECTORS**

**Section 1. Board of Directors.** The business and affairs of this Cooperative shall be managed by a Board of Directors consisting of such number of directors as shall be fixed in the manner provided in the Bylaws. The members of the Board of Directors will hold office until their successors have been elected and have taken office.

**Section 2. Initial Board of Directors.** The names and post office box or street addresses, either residence or business, of the initial Board of Directors of this Cooperative were as follows:

Name	Address
Michael Telford	1450 West Highway 24, Paul, ID 83347
Michael Cranney	1310 South 600 West, Oakley, ID 83346
L. R. (Rusty) Gillette	1800 East 1961 South, Gooding, ID 83346
Rodney D. Lake	297 West 300 South, Burley, ID 83318
Robert Kunau	468 South 800 West, Burley, ID 83318

The term of office of the initial Board of Directors of this cooperative continued until the first annual meeting of the Cooperative held after the Cooperative commenced operations. Thereafter, the term of office of the Board of Directors has been, and shall remain, three (3) years, with the initial Board of Directors having been divided into three groups, designated by lot: 1/3 for a one (1) year term, 1/3 for a two (2) year term, and 1/3 for a three (3) year term.

Section 3. Present Board of Directors. The names and post office box or street addresses, either residence or business, of the present Board of Directors of this Cooperative are as follows:

<b>Name</b>	<b>Address</b>
Randy Hardy	1818 South 500 West. Oakley, ID 83346
Bret Robins	273 W 400 S Burley, ID 83318
Adam Crane	3755 North Hill Road King Hill, ID 83633
Ryan Cranney	1310 S 600 W Oakley, ID 83346
Blake Matthews	84 East 1975 South, Oakley, ID 83346
Layne Polatis	174 S 1075 W Blackfoot, ID 83221
Aaron Telford	1450 W Highway 24 Paul, ID 83347

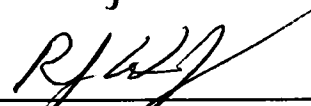
**ARTICLE XI.**  
**AMENDMENT OF ARTICLES OF INCORPORATION**

These Articles of Incorporation may be amended in the manner provided by Idaho law.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned members of the Board of Directors of Sun Valley Potato Growers, Inc., an Idaho Cooperative Corporation, have executed these Amended and Restated Articles of Incorporation as of this 18<sup>th</sup> day of February, 2020


1818 South 500 West. Oakley, ID 83346

  
\_\_\_\_\_  
Randy Hardy, Director / Registered Agent

273 W 400 S Burley, ID 83318

  
\_\_\_\_\_  
Bret Robins, Director,


3755 North Hill Road King Hill, ID 83633

  
\_\_\_\_\_  
Adam Crane, Director

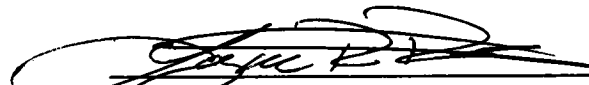
1310 S 600 W Oakley, ID 83346

  
\_\_\_\_\_  
Ryan Cranney, Director


84 East 1975 South, Oakley, ID 83346

  
\_\_\_\_\_  
Blake Matthews, Director

174 S 1075 W Blackfoot, ID 83221

  
\_\_\_\_\_  
Layne Polatis, Director

1450 W Highway 24 Paul, ID 83347

  
\_\_\_\_\_  
Aaron Telford, Director

STATE OF IDAHO       )  
                                  ): ss.  
COUNTY OF        )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2020, personally appeared before me [list directors], Directors of Sun Valley Potato Growers, Inc., duly acknowledged to me that they executed the attached Amended and Restated Articles of Incorporation of Sun Valley Potato Growers, Inc. and acknowledged that it is the good faith intention of the Directors of said Cooperative to carry on the business of said Cooperative in accordance with the attached Amended and Restated Articles of Incorporation.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing at:  
My Commission Expires:

00475-3690 02/20/2020 10:13 AM Received by ID Secretary of State Lawrence Denny