



Department of State.

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the

FRANKLIN COUNTY GRAIN GROWERS, INC.

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the **6th** day of **October** 19 **77**, original articles of amendment, as provided by Sections 30-146 and 30-147, Idaho Code, Revised Articles of Incorporation

and that the said articles of amendment contain the statement of facts required by law, and are ~~will be~~ recorded on ~~Film No.~~ **microfilm** of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **6th** day of **October**, A. D., 19 **77**.

Secretary of State

RECEIVED
'77 OCT 6 PM 2:59
SECRETARY OF STATE
REVISED ARTICLES OF INCORPORATION
OF
FRANKLIN COUNTY GRAIN GROWERS, INC.

ARTICLE I

NAME

This agricultural cooperative association was organized under the Agricultural Cooperative Associations law of Idaho, and its name is Franklin County Grain Growers, Inc.

ARTICLE II

PURPOSES

This Association is formed for the following purposes:

- (a) To engage in any cooperative activity on a non-profit and cooperative basis for producers of agricultural products.
- (b) To engage in any activity in connection with the production, marketing, or selling of the agricultural products or byproducts of its members and patrons, and with the harvesting, preserving, drying, processing, canning, packing, storing, warehousing, handling, shipping, manufacturing or the utilization thereof.
- (c) To engage in any activity in connection with the securing, purchasing, manufacturing, selling or supplying to its members and patrons, machinery, equipment and supplies.
- (d) To provide or procure for its members and patrons any and all goods or services related to producing, marketing and haulage of agricultural products or any products derived therefrom; and to perform or make available any other services needed to operate the farm business, such as credit, irrigation, or pest control.
- (e) To engage in the financing of any or all of the activities mentioned in this Article.

(f) To engage in the furnishing of business or educational services on a cooperative basis, and to further, generally, education on corporate cooperation.

(g) To conduct the business of the Association by departments, with power in the Board of Directors to discontinue, combine, split or add to such departments, at any time within the sole and absolute discretion of the Board of Directors.

(h) To engage in any activity or act which is lawful for an agricultural cooperative association to perform.

ARTICLE III

POWERS; LIMITATIONS

Section 1 - Powers. This Association shall have the following powers:

(a) To perform any act and to engage in any activity in furtherance of the purposes set forth in Article II herein, and to act as the agent or representative of any member or patron with respect to such act or activity.

(b) To borrow money without limitation as to amount of corporate indebtedness or liability; to give a lien on any of its property as security therefor in any manner permitted by law; and to make advance payments, loans and advances to members, producers and other persons or entities.

(c) To buy, lease, hold and exercise all rights of ownership over such real and personal property of any kind or description as may be reasonably proper, necessary, or convenient for the conduct and operation of the business activities of this Association, or incidental thereto.

(d) To establish any and all reasonable or desirable reserves, and to acquire capital funds from members and patrons from patronage margins and credits.

(e) To hold a membership in, or become a stockholder of any other agricultural cooperative association, or other association or entity.

(f) To cooperate with other similar associations in creating central, regional, or national cooperative agencies, for any of the purposes for which

this Association is formed, and to become a member or stockholder of such agencies as now are or hereafter may be in existence.

(g) To have and exercise, in addition to the foregoing, all powers, privileges and rights conferred on ordinary corporations and cooperative marketing associations by the laws of the state of incorporation, and all powers and rights incidental or conducive to carrying out the purposes for which this Association is formed, except such as are inconsistent with the express provisions of the act under which this Association is incorporated, and to do any such thing anywhere; and the enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers which may by law be possessed by this Association, all of which are hereby expressly claimed.

Section 2 - Limitations. This association shall not market the products of nonmembers in an amount the value of which exceeds the value of the products marketed for members in any fiscal year. It shall not purchase supplies and equipment for nonmembers in an amount the value of which exceeds the value of the supplies and equipment purchased for members. It shall not purchase supplies and equipment for persons who are neither members nor producers of agricultural products in an amount the value of which exceeds fifteen percent (15%) of all its purchases. Nonmember business may not exceed the value of member business in any fiscal year, but business done for the United States or any of its agencies shall be disregarded in determining the aforesaid limitations.

Section 3 - Departments within the Association. The business of the Association shall, so far as feasible, be carried on by departments, but part or all of these departments may be discontinued, combined or split and new departments created, abandoned or abolished, all as may appear best to the Board of Directors.

ARTICLE IV

MEMBERS

Section 1 - Eligibility. Agricultural producers and purchasers of farm products, supplies or farm business services, including partnerships, coopera-

tives and corporations, are eligible to become Member-Stockholders. Such persons may become members in consideration of the Association doing business with them as producers and/or purchasers, and upon the additional conditions, that they execute an appropriate membership application and that they forthwith pay, or authorize a deduction of one dollar (\$1.00) from the amount due them upon the advance for grain or other products delivered to the Association for handling or from purchases of farm related supplies, products or services, which shall pay in full for one share of membership stock. If the one dollar (\$1.00) shall not have been otherwise deducted or paid, it may be deducted from patronage credits. The Board of Directors shall be deemed to have approved the application of each such producer and purchaser for membership upon receipt of the said one dollar (\$1.00) and doing business with such person or entity. Membership shall continue from year to year unless terminated by the member or by the Board of Directors as provided in the Bylaws.

Section 2 - Property Right of Members and Patrons. The property rights and interests of each member, nonmember producer and other patron in the Association shall be unequal; and shall be determined and fixed upon an equitable basis with reference to the proportion that the patronage of each member, nonmember producer and other patron shall bear to the total patronage of all the members, nonmember producers and other patrons of the Association.

Section 3 - Termination of Membership. Membership in the Association shall be subject to termination as may be provided in the Bylaws.

ARTICLE V

CAPITAL STOCK

Section 1 - Classes of Stock. The capital stock of this Association shall consist of Class A Producer and/or Purchaser Stock, and Class B Preferred Stock.

Section 2 - Class A - Membership Stock. Class A stock shall consist of twenty-five hundred (2,500) shares of a par value of One Dollar (\$1.00) per share. Producer and/or Purchaser members shall be eligible to receive only

one share of Class A stock, which shall be nontransferable. Each individual producer and/or purchaser member to whom one share of Class A stock has been *Red* issued or allotted shall be entitled to only one vote, and ~~no~~ proxy voting shall be allowed. Class A stock shall be nondividend bearing.

Section 3 - Class B - Preferred Stock. Preferred stock shall consist of thirty thousand (30,000) shares of a par value of Ten Dollars per share. Preferred stock shall be dividend bearing. The dividend rate on preferred stock, as and when declared by the Board of Directors, shall be not less than two percent (2%) and not more than eight percent (8%) per annum, and dividends shall be noncumulative. Preferred stock may be held by anyone, but the holder thereof shall have no vote nor voice in the management of the Association. Preferred stock may be redeemed in the manner provided in the bylaws, but only at par plus declared and unpaid dividends thereon, if any.

ARTICLE VI

NON-STOCK CAPITAL: PATRONAGE CREDITS

Section 1 - Classes of Non-Stock Capital. The non-stock capital of this Association shall consist of two classes of Patronage Credits applicable to each Department of the Association. Class A Patronage Credits and Class B Patronage Credits shall be applicable to the Grain Department of the Association. Similar additional classes of patronage credits shall be applicable to such other Departments within the Association as may be created. All non-stock capital shall consist of and shall be acquired and built up from annually accumulated member and non-member producers' net margins, provided, however, that patronage records as to each department which may exist within the Association shall be kept separate and allocated as to patronage transactions and business with members, non-member producers and other patrons within each such department.

Section 2 - Patronage Credits within Grain Department. Class A patronage credits and Class B patronage credits shall be allocated only to members and non-member producers of the Grain Department of the Association.

(a) Class A Patronage Credits - Class A patronage credits shall consist of allocated, book-credit loan capital. All members and nonmember producers who patronize the Grain Department shall be eligible to receive Class A patronage credits. No dividends or interest shall be paid on Class A patronage credits, and such shall be deferred debts to the claims of general creditors. The amount or percentage of patronage credits to be allocated as Class A patronage credits shall be set forth in an appropriate bylaw. Class A patronage credits shall be revolved and paid out to members and nonmember producers as authorized by an appropriate bylaw and determined by the Board of Directors.

(b) Class B Patronage Credits - Class B patronage credits shall consist of allocated, book-credit loan capital. All members and nonmember producers who patronize the Grain Department shall be eligible to receive Class B patronage credits. No dividends or interest shall be paid on Class B patronage credits, and such shall be deferred debts to the claims of general creditors. The amount or percentage of patronage credits to be allocated as Class B patronage credits shall be set forth in an appropriate bylaw. Class B patronage credits shall be conditionally redeemable as may be authorized in the Bylaws and determined by the Board of Directors.

Section 3 - Patronage Credits Within Other Departments. Two classes of patronage credits shall be set up within each additional department of the Association, in a manner similar to that herein provided relative to the Grain Department, except that as to departments with a purchasing function, allocations shall be to members, nonmember producers and other patrons.

Section 4 - Allocation of Patronage Credits. All non-stock capital of the Association acquired from net margins and other patronage transactions with member, nonmember producers and other patrons shall be allocated by departments to member, nonmember producers, and other patrons prorata to patronage and noticed to them in writing on or before the 15th day of the ninth month following the close of each fiscal year. Any losses which may be sustained shall be allocated by departments as set forth in the Bylaws.

ARTICLE VII

PERIOD OF DURATION

The term of life of this Association shall be fifty (50) years from the date of enactment of this Revision and Amendment.

ARTICLE VIII

PLACES OF BUSINESS

This Association shall have its principal place of business at Preston, Idaho, which shall also be its registered office; but it may have an office or offices outside the state of incorporation anywhere within the United States and may transact business in any of the states and territories of the United States and in foreign countries. The name and address of the registered agent upon whom process may be served is Wayne Doney, Manager, Franklin County Grain Growers, Inc., Preston, Idaho.

ARTICLE IX

DIRECTORS

Section 1 - Composition. The business of this Association shall be governed by a board of directors of not less than five (5) and not more than nine (9) producer and/or purchaser members, elected as herein authorized and as may be provided in the Bylaws.

Section 2 - Voting Rights. All of the regular business of the Association shall be under the direction, vote and control of the Directors, at duly constituted meetings of the Board of Directors.

Section 3 - Terms of Office. The terms of office of directors shall be three (3) years.

Section 4 - Election Procedures. The procedures for electing directors shall be provided in the bylaws of the Association.

Section 5 - Meetings. The directors shall have the right to hold annual, regular and special meetings in Utah or Idaho or any other place, and at such times and places as may be fixed in the Bylaws or determined by the board of directors.

Section 6 - Representative Shareholder and Director of Farmers Grain Cooperative. The Directors of the Association shall elect one person to serve as a representative stockholder and director on the Board of Directors of Farmers Grain Cooperative.

ARTICLE X

INCORPORATORS

Reference is hereby made to the original Articles of Incorporation of this Association and also to all subsequent amendments and the Amended Articles of Incorporation of this Association on "Incorporators," and the same are here incorporated by reference as if here again set out in full.

ARTICLE XI

OFFICERS

The officers of this Association shall be elected by the board of directors promptly following each annual meeting. They shall consist of a president, a vice president, a secretary and a treasurer. The president and the vice president shall be directors. The other officers need not be directors, and any two of the offices of vice president, secretary or treasurer may be combined in one person at the discretion of the board.

ARTICLE XII

AMENDMENTS

Section 1 - Vote Requirements. The Articles of Incorporation may be amended by a two-thirds vote of the members attending an annual meeting or at a special meeting called for the purpose of amending the Articles of Incorporation, of which annual or special meeting a prior written notice of at least ten (10) days shall have been mailed to the members stating generally the nature and purpose of the amendments to be proposed. The adoption or amendment of bylaws of this Association shall be by majority vote of the members at an annual meeting or at a special meeting called for that purpose. Quorum requirements shall be as set forth in the Bylaws.

Section 2 - Reservation of Amending Rights. This Association reserves the right to amend, alter, change or repeal any of the provisions contained in the Articles of Incorporation in the manner now or hereafter authorized by law; and all rights conferred upon officers, directors, stockholders and holders of certificated and uncertificated capital interests on a patronage basis are granted subject to this reservation. The power to amend shall include the power of increasing, decreasing, or reclassifying authorized and issued capital stock of any form and non-stock, patronage-capital interests, and of altering or changing the preferences given to one or more classes of stock or to one or more classes or kinds of certificated or uncertificated patronage capital interests of member and nonmember patrons and to alter and change the par value of any stock by increasing or decreasing the same, or the stated value of any patronage capital interests.

ARTICLE XIII

DISSOLUTION

Upon voluntary dissolution, or involuntary dissolution or termination of the corporation for other cause, the assets of the Association in liquidation, so far as available, shall be distributed as follows: (1) to legally allowable expenses and costs of liquidation; (2) to lien creditors, if any; (3) to general creditors; (4) to holders of preferred stock up to the par value of their stock, plus declared and unpaid dividends if any; (5) to holders of Class A membership voting stock up to the par value of the shares; (6) to holders of Class B preferred stock up to the par value of the shares; and (7) the remainder of the assets, if any, shall be distributed to all holders of non-stock capital claims and interest, whether uncertificated or certificated, -- to share and share alike to the extent of the liquidation of the remaining assets of the Association.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Each Director, officer and employee of the Association, and attorneys and accountants hired by the Association, shall be indemnified by the Association

against all costs, expenses and liabilities reasonably incurred by him or imposed upon him in connection with or resulting from any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer, employee, attorney or accountant of the Association, except in relation to matters which shall have been occasioned by the willful misconduct or dishonesty of such officer, director, employee, attorney or accountant. The foregoing right of indemnification shall cover amounts paid in settlement of any such action, suit or proceeding, when such settlement appears to be in the interests of the Association. The foregoing right of indemnification shall inure, whether or not the respective director, officer, employee, attorney, or accountant is acting as such at the time such expenses or liabilities are incurred, or imposed, and whether or not the claim, action, suit or proceeding against him is based on matters which antedate the adoption of this Article. The foregoing right of indemnification shall not be exclusive of other rights to which any such director, officer, employee, attorney or accountant may be entitled as a matter of law. This indemnification is subject to § 30-166d of Idaho Code on a case by case non-mandatory basis.

The foregoing revised Articles of Incorporation supercede the original Articles of Incorporation of this Association and all amendments thereto, and were duly adopted at Preston, Idaho, on December 11, 1976, upon motion duly made and seconded and by a vote of more than two-thirds of the stockholders present and voting, and there was present at said meeting more than a sufficient number to form a quorum.

WITNESS THE HAND AND SEAL OF THE CORPORATION BY ITS OFFICERS.

Attest:

Wayne W Doney
Secretary

Blaine J. Sample
President

(Corp. Seal)

STATE OF Utah)
Salt Lake) ss.
COUNTY OF FRANKLIN)

On the 24 day of June 1977, before me a Notary Public, personally appeared Blaine J. Linder, President and Wayne W. Doney, Secretary of Franklin County Grain Growers, Inc., known to me to be said officers of said corporation, and they acknowledged to me that they executed the foregoing Certificate of Amendment of the said Articles of Incorporation.

Lael K. Noble
NOTARY PUBLIC

Residing at Salt Lake City, Utah

My Commission Expires:

3/1/80

RECEIVED
OCT 6 PM 2 58
CERTIFICATE OF AMENDMENT AND REVISION OF

ARTICLES OF INCORPORATION OF

SECRETARY OF
FRANKLIN COUNTY GRAIN GROWERS, INC.
STATE

The undersigned, Blaine Gamble, and Wayne Doney,

do hereby declare and certify that they are respectively the duly elected, qualified and acting President and Secretary of Franklin County Grain Growers, Inc., an agricultural cooperative corporation duly organized and existing under the laws of the State of Idaho, and further certify as follows:

1. The regular time and place for the duly noticed meeting of the Board of Directors of said corporation for the purpose of voting upon amending and revising the Articles of Incorporation of said Association was the 11th day of December 1976, at the hour of 10:00 o'clock a.m. in the City of Preston, County of Franklin, State of Idaho.

2. The said duly noticed meeting of said Board of Directors was held at the appointed time and at said meeting, amendments constituting a complete revision to the Articles of Incorporation were duly adopted by passage of a resolution which was identical in language to the resolution which was thereafter on the next day, December 12, 1976, adopted by the stockholders at their duly noticed annual meeting, as hereinafter set out in full, which notice was by publication and by ten days' notice by mail as required by law. The entire text of the attached document entitled, "Revised Articles of Incorporation of Franklin County Grain Growers, Inc.," previously had been distributed to all directors and stockholders and stockholder representatives entitled to vote thereon at the Annual Meeting.

3. The number of directors voting in favor of said resolution on December 11, 1976, was 4. The number voting against said resolution was 0. The Board of Directors consisted of 5 directors. The number of representative stockholders voting in favor of said resolution on December 12, 1976, was @ 50. The number voting against said resolution was 0. The number of representative shareholders consisted of @ 50 representative shareholders. All other persons attending the said Annual Meeting of members and stockholders were also asked to vote on the Resolution. All present voted unanimously in the affirmative.

4. The time and place for the annual meeting of the stockholders of said incorporated association was duly noticed in accordance with law and held at second Saturday in Dec. in the City of Preston, County of Franklin, State of Idaho, pursuant to said notices on the 11th day of December 1976, at 10:00 a.m., at which time and place the following resolution for amending of said Articles of Incorporation was duly adopted:

RESOLVED, that the Articles of Incorporation of Franklin County Grain Growers, Inc., be completely amended and revised, replacing the existing Articles, to consist of fourteen (14) articles to hereafter read as set forth in the document attached to this resolution entitled, "Revised Articles of Incorporation of Franklin County Grain Growers, Inc." effective immediately.

WITNESS THE HAND AND SEAL OF THE CORPORATION BY ITS OFFICERS.

ATTEST:

Wayne W. Doney Secretary Blaine J. Samble President

(Corp. Seal)

STATE OF Idaho)
COUNTY OF FRANKLIN) ss.

On this 24 day of June 1977, before me a Notary Public, personally appeared Blaine J. Samble, President, and Wayne W. Doney, Secretary, of Franklin County Grain Growers, Inc., known to me to be said officers of said corporation, and they acknowledged to me that they executed the foregoing certificate of amendment of the said Articles of Incorporation.

Lee K. Hader
NOTARY PUBLIC
Residing at Adams City, Ida

My Commission Expires:

3/1/80