

**ARTICLES OF INCORPORATION OF  
TREASURE VALLEY ONION COOPERATIVE, INC.**

**FILED EFFECTIVE**

2017 JUN 26 AM 10: 09

The Incorporators, desiring to form a cooperative marketing association, ~~without~~ capital stock, under the provisions of Title 22, Chapter 26 of the Idaho Code (I.C. § 22-2601 *et seq.*) and Title 30, Chapter 3 of the Idaho Code, adopt the following Articles of Incorporation.

SECRETARY OF STATE  
STATE OF IDAHO

**ARTICLE ONE  
NAME**

The name of the association shall be the Treasure Valley Onion Cooperative, Inc. (the "Cooperative").

**ARTICLE TWO  
DURATION**

The period of duration of the Cooperative shall be perpetual.

**ARTICLE THREE  
PURPOSES**

The Cooperative is formed for the mutual benefit of the members of the Cooperative ("Members") and for the following purposes:

1. To engage in any activity for the mutual benefit of its Members in connection with the collective processing, preparing for market, handling and marketing of onions, and other agricultural products or any derived products; and
2. To engage in any activity for the mutual benefit of its Members in connection with the advertising, selling, marketing, or distributing of any such agricultural products or any derived products, provided (i) such activity may be conducted lawfully by a cooperative organized under Title 22, Chapter 26 of the Idaho Code (I.C. § 22-2601 *et seq.*) and Title 30, Chapter 3 of the Idaho Code, and (ii) all activities will preserve antitrust immunity for the cooperative under the Capper-Volstead Act, USC § 7-291.

**ARTICLE FOUR  
ADDRESS OF BUSINESS**

The mailing address of the Cooperative shall be PO Box 9, Ontario, OR 97914, or such other address as may be designated from time to time by the Board of Directors.

**ARTICLE FIVE  
MEMBERSHIP**

1. The Cooperative is formed not for profit and shall not have capital stock. Each Member shall be engaged in the bona fide production of agricultural products.
2. The initial Members of the Cooperative shall be the Incorporators. In addition

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to these Members, any person, firm, or corporation may become a Member by: (a) acquiring a membership interest in the Cooperative, as shall be specified in the Bylaws of the Cooperative; and (b) agreeing to comply with and be bound by the terms and conditions relating to membership contained in these Articles of Incorporation and the Bylaws of the Cooperative and any amendments thereto, provided, however, that no applicant for membership shall become a Member of the Cooperative unless and until the applicant has been accepted for membership by the Members or by the Board of Directors or by its duly authorized representative. No person, firm, or corporation shall own more than one (1) membership interest in the Cooperative.

3. Each Member shall be entitled to one (1) vote. Voting by proxy is not allowed.

4. The Bylaws of the Cooperative may define and fix the duties and responsibilities of the Members and prescribe such other terms and conditions upon which Members shall be admitted to or terminated from the membership of the Cooperative, not inconsistent with these Articles of Incorporation or the Chapters of the Idaho Code under which the Cooperative is organized.

## **ARTICLE SIX CAPITAL STOCK**

The Cooperative shall not issue capital stock.

## **ARTICLE SEVEN PROPERTY RIGHTS**

The property rights of each Member in the Cooperative shall be unequal and shall be proportional to the capital accounts of each Member. The capital accounts of the Members shall be increased by the Member's contributions and retained patronage account and shall be reduced by distribution to the Member and if the cooperative has zero or negative capital by payment of expenses and liabilities.

## **ARTICLE EIGHT DISTRIBUTIONS**

1. The cooperative shall receive the proceeds of the sale of the crops that Members have committed to the cooperative. The net proceeds of the sale of a Member's agricultural products, less any retainage authorized by the board of directors and generally applicable to all Members, shall be paid to the Member.

2. Amounts retained from sale proceeds shall be added to the Member's capital account. The Member's capital account may be reduced by any distribution of that account authorized by the Board of Directors.

3. On the dissolution of this Cooperative, all its debts and liabilities shall be paid first according to their respective priorities. The Members shall then be paid their capital accounts.

## **ARTICLE NINE REGISTERED OFFICE AND AGENT**

The registered office of the Cooperative is 2105 Coronado Street, Idaho Falls, ID 83404, and its registered agent at that address is Gregory C. Calder.

## **ARTICLE TEN DIRECTORS**

The directors of the Cooperative shall be natural persons elected by the Members of the Cooperative. The number of directors shall be fixed from time to time by the Bylaws of the Cooperative; provided, however, that the number of directors shall not be less than five (5). The number of directors constituting the initial Board of Directors shall be five (5) directors whose names are set forth below. The term of office for each director shall be for one (1) year and until his/her successor is elected. The names and addresses of the persons who shall serve the Cooperative as directors until the first annual meeting, or other meeting called to elect directors are:

<u>Name</u>	<u>Address</u>
Cameron Skeen	235 Magnolia Ave. Fruitland, ID 83619
Ken Laubacher	240 NW 16 <sup>th</sup> St. Ontario, OR 97914
Kris Yano	5316 Hwy 201 Ontario, OR 97914
Paul Skeen	2871 Clark Blvd. Nyssa, OR 97913
Carl Norton	8340 Hwy 20-26 Nampa, ID 83687

## **ARTICLE ELEVEN INCORPORATORS**

The names and addresses of the persons who shall serve as Incorporators of the Cooperative and who are its initial Members are:

<u>Name</u>	<u>Address</u>
Bullet Onion, LLC Cameron Skeen, Manager	235 Magnolia Ave. Fruitland, ID 83619

Laubacher Farms, Inc.  
Ken Laubacher, President

240 NW 16<sup>th</sup> St.  
Ontario, OR 97914

Yano Farms, Inc.  
Kris Yano, President

5316 Hwy 201  
Ontario, OR 97914

Skeen Farms, Inc.  
Paul Skeen, President

2871 Clark Blvd.  
Nyssa, OR 97913

Arroway Farms  
Carl Norton, Director

8340 Hwy 20-26  
Nampa, ID 83687

## **ARTICLE TWELVE AMENDMENT**

The Members of the Cooperative shall have the power to amend these Articles of Incorporation at a regular meeting, or at a special meeting called for that purpose, by the affirmative vote of a majority of the Members of the Cooperative, and on at least thirty (30) days written notice of the proposed alteration or amendment. Amendments to the Articles of Incorporation when adopted shall be filed as required by law.

## **ARTICLE THIRTEEN LIMITATIONS**

This Cooperative shall not deal in the products of non-members to an amount greater in value than such as are handled by it for Members.

## **ARTICLE FOURTEEN INDEMNIFICATION**

The Cooperative shall indemnify the directors and officers of the Cooperative to the fullest extent permitted by Idaho law as the same exists or may later be amended.

## **ARTICLE FIFTEEN LIMITATION OF LIABILITY**

No director shall be liable to the Cooperative or its Members for failing to take any action, unless such director's action or inaction

- was not in good faith;
- the director neither believed her or she was informed to the extent reasonably appropriate or the director did not believe decision was in the best interest of the Cooperative; or
- the director lacked the objectivity or independence with regard to the challenged conduct.

**IN WITNESS WHEREOF**, the undersigned have executed these Articles on

June 23 2017.

## INCORPORATORS AND INITIAL MEMBERS:

**Bullet Onion, LLC**

By: 

Cameron Skeen, Manager

**Laubacher Farms, Inc.**

By: 

Ken Laubacher, President

**Yano Farms, Inc.**

By: 

Kris Yano, President

**Skeen Farms, Inc.**

By: 

Paul Skeen, President

**Arrowway Farms**

By: 

Carl Norton, Director

IDAHO SECRETARY OF STATE

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