



Department of State.

**CERTIFICATE OF INCORPORATION
OF**

ROYAL RUSSETS, 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 _____

ROYAL RUSSETS, 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 October 1, 1986



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

ARTICLES OF INCORPORATION
OF
ROYAL RUSSETS, INC.

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, all of whom are engaged in the production of agricultural products acting as incorporators of a non-profit cooperative marketing association under the Idaho Cooperative Marketing Association Act do hereby adopt the following Articles of Incorporation for such cooperative

I.

The name of said cooperative shall be ROYAL RUSSETS, INC.

II.

The duration of the cooperative shall be for fifty (50) years.

III.

The initial registered office of the cooperative shall be at Box 94, Rural Route #1, Aberdeen, Idaho 83210, and the name of its initial registered agent at such address is Elmer Funk, Jr.

IV.

The authorized capital stock of the cooperative shall be divided into 100 shares of no par stock. All of the stock shall be of the same class, have the same powers and voting rights and shall not be assessable for any purpose whatsoever. None of the capital stock shall be owned by any person, firm or corporation not engaged in the production of agricultural products.

V.

All cooperative powers shall be exercised by and the business and the affairs of the cooperative shall be managed under the direction of a Board of Directors consisting of no less than seven Directors. The qualifications, the term of office, manner of electing directors, the number of directors to be elected, the time, place and manner of calling meetings, and the powers and duties of the directors shall be prescribed by the Bylaws. The names and office addresses of the persons who are to serve as directors until the first annual meeting of the stockholders or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Elmer Funk, Jr.	Box 94, R.R. #1, Aberdeen, ID
Jeff Feld	Box B, Aberdeen, ID
Chester Wahlen	2624 West 1005, Aberdeen, ID
Gary Funk	Box 94, R.R. #1, Aberdeen, ID
John Josephson	2556 West 100 S., Aberdeen, ID
Dwight Horsch	1991 S. 2700 W., Aberdeen, ID
Tom Stroschein	965 S. 2400 W., Aberdeen, ID

VI.

The purposes for which said corporation is organized are as follows: to engage in any activity in connection with the production, marketing or selling of the agricultural products of its members, or with the harvesting, preserving, utilization thereof, or the manufacturing or marketing of the by-products thereof; or in connection with the purchasing, manufacturing, selling or supplying to its members of machinery, equipment or supplies; or in the financing of the above enumerated activities; or in any one or more of the activities specified herein.

VII.

The cooperative shall have all the powers set forth in §2606, Chapter 26, Title 22, Idaho Code and in addition thereto, the following:

A. To carry on the business of purchasing, processing, selling, exporting and otherwise handling and dealing with potatoes produced by its members and shareholders and all other types of fresh produce, and all related activities.

B. To engage in any activity in connection with the production, marketing, selling, harvesting, preserving, drying processing, canning, packing, storing, handling or utilization of any agricultural products produced or delivered to it by its members; or

the manufacturing or marketing of the by-products thereof; or in connection with the purchasing, hiring, manufacturing, selling, or use to, by, or for its members of supplies, machinery or equipment; or in the financing of any such activities; or in any one or more of the activities specified in this section. An association may do business with nonmembers in an amount not to exceed that done with members.

C. To borrow money and to make advances to members.

D. To act as the agent or representative of any member or members in any of the above-mentioned activities.

E. To purchase or otherwise acquire, and to hold, own and exercise all rights of ownership in, and to sell, transfer, or pledge shares of the capital stock or bonds of any corporation or association engaged in any related activity or in the handling or marketing of any of the products handled by the association.

F. To establish reserves and to invest the funds thereof in bonds or such other property as may be provided in the bylaws.

G. To buy, hold and exercise all rights of ownership, over such real or personal property as may be necessary or convenient for the conducting and operation

of any of the business of the association or incidental thereto.

H. To do each and every thing necessary, suitable or proper for the accomplishment of any one of the purposes or the attainment of any one or more of the objects herein enumerated; or conducive to or expedient for the interest or benefit of the association; and to contract accordingly; and in addition to exercise and possess all powers, rights and privileges necessary or incidental to the purposes, for which the association is organized or to the activities in which it is engaged, and in addition, any other rights, powers and privileges granted by the laws of this state to ordinary corporations, except such as are inconsistent with the express provisions of this chapter; and to do any such thing anywhere.

I. To acquire and take over as a going concern and thereafter to carry on the business of any person, firm or corporation engaged in any business which this cooperative is authorized to conduct and in connection therewith, to acquire the good will and all or any of the assets and to conduct or otherwise provide for all or any of such businesses.

J. To borrow money for its cooperative purposes and to make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures

or other obligations from time to time for the purchase of property for any purpose in or about the business of the cooperative, and if deemed proper, to secure the payment of any such obligations by mortgage, pledge, deed of trust, or otherwise.

K. To enter into, make, perform and carry out contracts of every sort and kind which may be necessary and convenient for the business of the cooperative with any person, firm, corporation, association, body politic, state or other form of government so far as and to the same extent that the same may be done and performed by corporations organized under the laws of the State of Idaho.

L. To do all acts and things necessary to carry out the purposes and intent expressed in the above provisions, and each and every necessary, suitable or advisable act or thing for the accomplishment thereof.

VIII.

The power to repeal and amend the Bylaws and adopt new Bylaws is hereby conferred upon the directors, as well as upon the shareholders, to be exercised by such vote of the directors or of the allotted shares as the case may be; provided, however, not less than a majority thereof as may be fixed by the Bylaws. The Board of Directors may from time to time distribute to its

shareholders out of capital surplus of the cooperative a portion of its assets in cash or in property.

IX.

No contract or other transaction between the cooperative or any other corporation, whether or not a majority of the shares of the capital stock of such other corporation is owned by the cooperative, and no act of the cooperative shall in any way be affected or invalidated by the fact that any of the directors of the cooperative are pecuniarily or otherwise interested in, or are directors, or officers of such other corporation, any director individually may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of the cooperative and any director of the cooperative who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the company which shall authorize such contract or transaction and may vote thereon to authorize such contract or transaction with like force and effect as if he were not such director or officer of such other corporation and not so interested.

IX.

The names and addresses of each of the incorporators are as follows:

NAMEADDRESS

Elmer Funk, Jr.	Box 94, R.R. #1, Aberdeen, ID
Jeff Feld	Box B Aberdeen, ID
Chester Wahlen	3634 W 1100 S Aberdeen, ID
Gary Funk	Box 94, R.R. #1, Aberdeen, ID
John Josephson	2536 W 1100 S Aberdeen
Dwight Horsch	1991 S 2700 W Aberdeen
Tom Stroschein	965 S 2400 W Aberdeen
Mike Funk	3043 W 2000 S Idaho
Kim Wahlen	2855 W 2100 S Aberdeen, ID 83200
Todd Feld	Box 299 Aberdeen, Idaho
Val Wahlen	P.O. Box 442 Aberdeen, ID 83210
David Wahlen	2481 W 1800 S Starling, Del. 83210

IN WITNESS WHEREOF, We have hereunto set our hands

this 22 day of September, 1986.Elmer Funk, Jr.
Elmer Funk, Jr.Jeff Feld
Jeff FeldChester Wahlen
Chester WahlenGary Funk
Gary FunkJohn Josephson
John JosephsonDwight Horsch
Dwight HorschTom Stroschein
Tom StroscheinMike Funk
Mike FunkKim Wahlen
Kim WahlenTodd Feld
Todd FeldVal Wahlen
Val WahlenDavid Wahlen
David Wahlen

WITNESS:

Alan Zerk