

**SECOND AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**HIGH DESERT MILK, INC.**

**FILED EFFECTIVE**  
**07 OCT -9 AM 10:18**  
**SECRETARY OF STATE**  
**STATE OF IDAHO**

**RESTATED ARTICLE 1**

**NAME**

The name of this cooperative is High Desert Milk, Inc.

**RESTATED ARTICLE 2**

**DURATION**

The duration of this cooperative is perpetual.

**AMENDED ARTICLE 3**

**PURPOSES, POWERS AND LIMITATIONS**

3.1. **Purposes:** This cooperative is organized pursuant to the provisions of Idaho Code § 22-2601 *et seq.* The purposes of this cooperative shall be 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, drying, processing, canning, packing, storing, handling, shipping, or utilization thereof, or the manufacturing or marketing 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. This cooperative is to be deemed non-profit, inasmuch as it is not organized to make a profit for itself, as such, or for its members, as such, but only for its members as producers.

3.2. **Powers:** The cooperative shall have all the powers, privileges, and rights authorized by the laws of the State of Idaho.

IDAHO SECRETARY OF STATE  
**10/09/2007 05:00**  
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3.3. Limitations: The cooperative may do business with nonmembers in an amount not to exceed that done with members. The cooperative shall not market the products of nonmembers in an amount the value which exceeds the value of the products marketed for members. The cooperative shall not purchase supplies and equipment for nonmembers in an amount the value of which exceeds the value of supplies and equipment purchased for members. The cooperative shall not provide services for nonmembers in an amount the value of which exceeds the value of services provided for members.

#### AMENDED ARTICLE 4

##### CAPITAL STOCK

This Cooperative is authorized to issue 100 shares of Common Voting Stock having no par value to those who are eligible for membership in accordance with Restated Article 6 hereof. This Cooperative is authorized to issue Three Million (3,000,000) shares of Preferred Stock having no par value. The holders of Preferred Stock shall not be entitled to receive dividends through ownership of such stock, as such stock represents the right to market raw milk through the Cooperative on the basis of one (1) share per pound of daily production; however, holders of Preferred Stock shall be entitled to receive patronage refunds arising out of milk delivered under ownership of the Preferred Stock. The holders of Preferred Stock shall be eligible for benefits conferred upon such Preferred Stock by the Board of Directors and/or the Bylaws from time to time, including production and marketing rights.

## AMENDED ARTICLE 5

### MEMBERSHIP

This cooperative shall admit applicants to membership on such uniform conditions as may be prescribed by the Board of Directors of the cooperative, or in its bylaws. The cooperative shall be operated on a cooperative basis for the mutual benefit of its members as producers, and membership in the cooperative shall be restricted to producers who patronize the corporation. The voting rights of the members shall be equal, and no member shall have more than one (1) vote.

Common and Preferred Stock will only be issued to and held by agricultural producers, or cooperative associations composed of agricultural producers, who are eligible for membership as provided by the laws of the State of Idaho and who have been approved as members of the cooperative by the Board of Directors and as provided in the bylaws of the cooperative.

"Agricultural producers" are individuals, partnerships, corporations, cooperative associations, or other entities that are engaged in the production of horticultural, viticultural, forestry, dairy, livestock, poultry, bee, and any other farm product, and cooperative associations of such agricultural producers. Tenants on land used for the production of agricultural products or lessors of such land who receive rent as part of the product of such land shall be considered to be actually engaged in the production of agricultural products. Members shall be entitled to vote in the affairs of the cooperative in accordance with the bylaws. Members shall not transfer their Common and Preferred Stock without the prior approval of the Board of Directors. Common and Preferred Stock may be redeemed as provided in the bylaws of the cooperative. Common and Preferred shall not be transferred to any person or entity not engaged in the production of

agricultural products, however, a creditor who has asserted a security interest in the Common or Preferred Stock shall be entitled to the benefits of any transfer of such stock.

#### RESTATED ARTICLE 6

##### INITIAL BOARD OF DIRECTORS

The name and addresses of the persons who shall serve as directors of the cooperative until the first annual meeting of the members or until their successors are elected and qualify are:

Ray Robinson  
c/o Moo Mountain Milk, Inc.  
506 East 500 South  
Burley, Idaho 83318

Dan Ward  
c/o Glenn Ward Dairy, L.L.C.  
227 East 400 South  
Burley, Idaho 83318

David Funk  
c/o Funk Dairy, Inc.  
3245 North 4700 East  
Murtaugh, Idaho 83344

Danny Crane  
c/o D & S Crane Dairy, L.L.C.  
513 Washington St.  
Kimberly, Idaho 83341

Robert Whitely  
c/o American Cow Milking  
Enterprise Dairy, Inc.  
2000 South 700 West  
Oakley, Idaho 83346

Brent Funk  
c/o Magic Milk Dairy, Inc.  
2911 North 4000 East  
Hansen, Idaho 83334

#### RESTATED ARTICLE 7

##### REGISTERED AGENT AND REGISTERED OFFICE

The registered office of this cooperative is 227 East 400 South, Burley, Idaho 83318.

The name of the registered agent at that address is Dan Ward.

#### RESTATED ARTICLE 8

##### DISSOLUTION

In the event of dissolution or liquidation of the cooperative, voluntarily or involuntarily, after all debts and liabilities of the cooperative have been paid, the remaining assets will be distributed as follows:

8.1 First, the holders of credits in the revolving capital shall be paid the amount of their credits in the fund.

8.2 Second, holders of Common Stock shall be paid in an amount equal to the amount paid in order to acquire membership in the cooperative.

8.3 Finally, distribution of any remaining assets shall be distributed pro rata to the holders of preferred stock.

#### RESTATED ARTICLE 9

#### INCORPORATORS

The incorporators of the cooperative are:

Ray Robinson  
c/o Moo Mountain Milk, Inc.  
506 East 500 South  
Burley, Idaho 83318

Dan Ward  
c/o Glenn Ward Dairy, L.L.C.  
227 East 400 South  
Burley, Idaho 83318

David Funk  
c/o Funk Dairy, Inc.  
3245 North 4700 East  
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513 Washington St.  
Kimberly, Idaho 83341

Robert Whitely  
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Enterprise Dairy, Inc.  
~~2000 South 700 West~~  
Oakley, Idaho 83346

Brent Funk  
c/o Magic Milk Dairy, Inc.  
2911 North 4000 East  
Hansen, Idaho 83334

P.O. Box 189

NEW ARTICLE 10

AMENDMENT OF ARTICLES

This amendment and restatement of the Articles of Incorporation are made pursuant to the provisions of Idaho Code § 22-2609 and other applicable law:

10.1 The date of adoption of the restatement and amendment was August 1, 2007.

10.2 The amendment was adopted by all directors and members. The number of directors entitled to vote was six (6), the number of directors who voted for each amendment and restatement was six (6) and the number of directors who voted against each amendment was zero (0). The number of members entitled to vote was six (6), the number of members who voted for each amendment and restatement was six (6) and the number of members who voted against each amendment was zero (0).

The Amended and Restated Articles were approved prior to the issuance of any stock in the corporation.

DATED this 1<sup>st</sup> day of August, 2007.

DIRECTORS AND INITIAL  
INCORPORATORS

  
Ray Robinson

  
Dan Ward

  
David Funk

MEMBERS

MOO MOUNTAIN MILK, INC.

By   
Ray Robinson

WARD DAIRY, L.L.C.

By   
Dan Ward

FUNK DAIRY, INC.

By   
David Funk

D & S DAIRY, L.L.C.

Danny Crane  
Danny Crane

By Danny Crane  
Danny Crane

Robert Whiteley  
Robert Whiteley

AMERICAN COW MILKING  
ENTERPRISES DAIRY, INC.

By Robert Whiteley  
Robert Whiteley

Brent Funk  
Brent Funk

MAGIC MILK DAIRY, INC.

Brent Funk  
Brent Funk