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SECRETARY OF STATE  
STILLWATER

ARTICLES OF INCORPORATION

OF

WESTERN IDAHO POTATO COOPERATIVE, INC.

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SECRETARY OF STATE

IDAHO SECRETARY OF STATE

03/19/1998 09:00 AM  
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C123675

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, citizens and residents of the United States of America and of the State of Idaho, and each being over the age of twenty-one (21) years, do by these presents voluntarily associate ourselves together for the purposes of forming a non-profit cooperative association, without capital stock and under the provisions of Chapter 26 of Title 22 of the Idaho Code, and all laws amendatory thereof and supplemental thereto, and do hereby make, sign, acknowledge, certify and file this certificate and Articles of Incorporation for that purpose, as follows:

ARTICLE I. NAME OF COOPERATIVE

The name of this cooperative association shall be, and is, the **WESTERN IDAHO POTATO COOPERATIVE, INC.**

ARTICLE II. PURPOSE

Section 1. The purpose of this association is to engage in any or all of the following on a non-profit, cooperative basis, for its members:

a. 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 one or more of the activities specified in this section.

b. To borrow money and incur indebtedness and to issue promissory notes, debentures, bonds, certificates of indebtedness and any other form of instrument evidencing and representing the indebtedness and obligations of the association; and to secure the payment of indebtedness and obligations of the association by hypothecating, mortgaging, pledging and conveying property of the association, including stock in trade of the association and

property received from patrons through activities of the association.

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

d. 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.

e. To establish and maintain capital reserve funds and other appropriate reserves as may be deemed desirable or advantageous in the conduct of the business and accomplishment of the objects and purposes of the association.

f. 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.

g. To enter into agreements with member and non-member patrons of the association in such form or forms and for such period of time as may be permitted by law.

h. To enter into agreements with cooperative marketing, purchasing or supply corporations, associations or agencies, and to affiliate with, acquire memberships in and act through agencies, associations or corporations for purposes authorized by the Idaho Cooperative Marketing Act.

i. To place in effect and enforce such fair and equitable rules and regulations as may be adopted, approved or authorized by its Board of Directors pursuant to appropriate By-Law provisions, in the exercise of an absolute discretionary power hereby specifically granted, covering or pertaining to the use of facilities, the rendition of service and the conduct of its business and operations; the amount required and the charge to be made, set up and collected, from time to time, for purchasing, supplying, marketing or other services, operating expenses, losses and the establishment and maintenance of expense, capital, depreciation and other reserves, and other financial requirements of the association; the means and methods of collection, through retention of operating margins or marketing retains, assessment or otherwise; the amount of available funds to be distributed from time to time and the respective and proportionate rights and interests therein; and all other pertinent matters.

j. To conduct its business in any and all locations permitted by law, as determined by the board of directors.

k. To transact business of the types and in the manner described herein with or for nonmembers on either a profit or non-profit basis, to an amount in any one fiscal year not to exceed the amount transacted with members in any such fiscal year.

l. 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 the State of Idaho to ordinary or other non-profit corporations, except such as are inconsistent with the express provisions of the Idaho Cooperative Marketing Association act; and to do any such thing anywhere.

m. To do and perform all acts and things and to carry on and conduct business and trade of every kind and nature authorized by the Cooperative Marketing Association act of the State of Idaho and acts or provisions amendatory thereof and supplemental thereto.

#### **ARTICLE IV. PRINCIPAL PLACE OF BUSINESS, REGISTERED AGENT**

The place where the principal business of the association will be transacted is 1741 Gibson Way, Meridian, Idaho 83642. The address of the initial registered agent is 1741 Gibson Way, Meridian, Idaho 83642. The name of the initial registered agent at such address is Richard Garber.

#### **ARTICLE V. TERM**

The term for which the association is to exist shall be perpetual.

#### **ARTICLE VI. WITHOUT CAPITAL STOCK**

##### **Section 1.**

(a) The association is organized and shall function without capital stock.

(b) Membership in the association may be acquired only by a producer of agricultural products or a cooperative association of such producers by paying the association such membership fee as shall be prescribed by the By-Laws of the association from time to time in effect and by complying with the other conditions of membership imposed by the By-Laws, the Idaho Cooperative Marketing Association Act -- I.C. 22-2601 et seq., and the Capper-Volstead

Act -- 7 U.S.C. #291. Upon termination of membership, the membership fee theretofore paid shall be retained by the association.

(c) Membership in this association shall not be transferable; and membership may be terminated and certificates of membership may be cancelled in such events and at such times as provided in the By-Laws of the association from time to time in effect.

(d) Voting power of members of the association shall be equal and each member shall have one vote only. Voting by proxy shall not be permitted.

(e) The property rights and interests of each member of the association shall be unequal, and shall be determined and fixed in the proportion that the patronage of each member patron with the association in a fiscal period shall bear to the total patronage of all member patrons with the association in that fiscal period. New members of the association shall be entitled to share with old members of the association in the property of the association in accordance with that general rule.

**Section 2.** Through application for and acceptance as a member, each member of the association shall thereby become bound by and shall comply with each and every obligation imposed upon members by the Articles of Incorporation and the By-Laws of the association from time to time in force and effect.

**Section 3.** Computer roles maintained on the company premises may be used in the place and stead of certificates of membership, if permitted by Idaho law.

#### **ARTICLE VII. DIRECTORS; DISTRICTS**

The association shall have a board of directors of not less than five (5) nor more than nine (9) elected in the manner and for the terms set forth in the By-Laws.

Initially the cooperative shall be one district with nine (9) directors named as follows:

<b><u>NAME</u></b>	<b><u>ADDRESS</u></b>
Doug Gross	P.O. Box 241, Wilder, Idaho 83676
John Hartman	28500 Fountain Rd., Parma, Idaho 83660
Jeff Harper	995 E. 15th N. Mountain Home, Idaho 83647
Bob Bledsoe	HC 63 Box 54B, Hammet, Idaho 83627

John Crawford	28575 Gotsch Rd., Parma, Idaho 83660
David Clapier	Rt. 1 Box 168, Marsing, Idaho 83639
Steve Reynolds	1115 W. 24th S., Mountain Home, Idaho 83647
Tim Corder	5325 S. 14th E., Mountain Home, Idaho 83647
Joe Weitz	Western Farms 16909 Marsing Rd., Caldwell, Idaho 83605

The initial board of directors shall serve until the first annual meeting at which time the board of directors shall be elected in the manner as provided for in the By-Laws.

The By-Laws shall provide that the directors may, by resolution, divide the single district. In the event of a dividing into multiple districts, the board of directors shall provide for a fair representation on the board of directors by all districts. In the event of a dividing the board shall review the multiple districts from time to time to insure a continued fair representation on the board of directors. In the event of a division into multiple districts and to facilitate the purpose of fairness in representation, the board may establish directorships to be elected "at large" by the entire membership.

#### **ARTICLE VIII. INDEMNIFICATION AND LIMITED LIABILITY**

**Section 1. Director Liability.** To the extent permitted by law, no director of this corporation shall be personally liable to the cooperative or its members for monetary damages for breach of fiduciary duty as a director, except for liability:

- (a) for a breach of the director's duty of loyalty to this cooperative or its members;
- (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) for a transaction from which the director derived an improper personal benefit;
- (d) liability provided for under Section 30-1-48, Idaho Code; or
- (e) for an act or omission occurring prior to the date when the provisions of this Section 1 of Article VIII become effective.

It is the intention of the members of this cooperative to eliminate or limit the personal liability of the directors of this cooperative to the greatest extent permitted under applicable law. After this Section 1 of Article VIII becomes effective, if amendments to applicable statutes are passed which authorize cooperative associations to act to further eliminate or limit the personal liability of directors, then the liability of the directors of this cooperative shall be eliminated or limited to the greatest extent permitted by the applicable statutes, as so amended or added.

Any repeal or modification of this Section 1 of Article VIII by the members of this association shall not adversely affect any right of or any protection available to a director of this cooperative which is in existence at the time of such repeal or modification.

**Section 2. Indemnification of officers, directors, employees and agents.** To the extent permitted by law, the association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the extent permitted by Sections 30-1-5 and 30-3-88, Idaho Code, or other applicable law, except that the association reserves the right, at its sole discretion, to determine whether and how much, if any, insurance it may purchase on behalf of directors, officers, employees or agents.

Any repeal or modification of this Section 2, of Article VIII, by the members of this association shall not adversely affect any right of or any protection available to a director, officer, employee or agent of this cooperative by reason of any threatened, pending or completed action, suit or proceeding in existence at the time of such repeal or modification.

#### **ARTICLE IX. INCORPORATORS**

The incorporators are:

##### **NAME**

##### **ADDRESS**

Doug Gross

P.O. Box 241, Wilder, Idaho 83676

John Hartman

28500 Fountain Rd., Parma, Idaho 83660

Jeff Harper

995 E. 15th N. Mountain Home, Idaho 83647

**ARTICLES OF INCORPORATION**

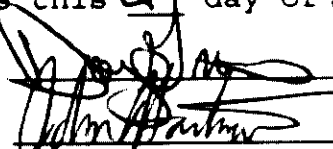
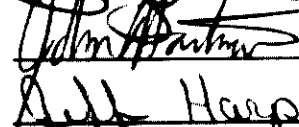
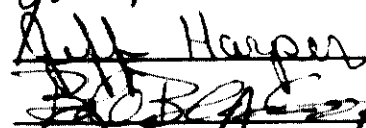
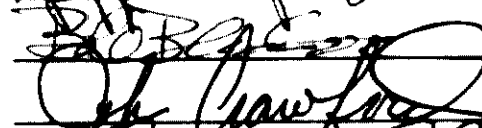
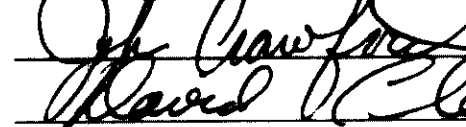
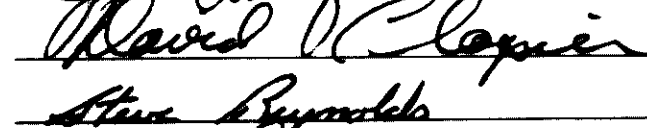


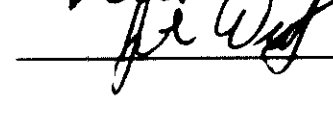
**WESTERN IDAHO POTATO COOPERATIVE, INC. - PAGE 6**

Bob Bledsoe	HC 63 Box 54B, Hammet, Idaho 83627
John Crawford	28575 Gotsch Rd., Parma, Idaho 83660
David Clapier	Rt. 1 Box 168, Marsing, Idaho 83639
Steve Reynolds	1115 W. 24th S., Mountain Home, Idaho 83647
Tim Corder	5325 S. 14th E., Mountain Home, Idaho 83647
Joe Weitz	Western Farms 16909 Marsing Rd., Caldwell, Idaho 83605

**ARTICLE X. AMENDMENTS**

The association may amend, alter, add to, change or repeal any provision contained in these Articles of Incorporation in the manner provided by law.

IN WITNESS WHEREOF, we as incorporations, and each of us having filed an application of membership, have hereunto set our hands and seals this 4 day of March, 1997.

Doug Gross	
John Hartman	
Jeff Harper	
Bob Bledsoe	
John Crawford	
David Clapier	
Steve Reynolds	
Tim Corder	
Joe Weitz	

\\\\\\\\\\\\\\\\\\\\ACKNOWLEDGEMENTS ON NEXT PAGES\\\\\\\\\\\\\\\\\\\\

**STATE OF IDAHO, COUNTY OF CANYON )ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **DOUG GROSS**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

DJW  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99

**STATE OF IDAHO, COUNTY OF CANYON )ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **JOHN HARTMAN**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

DJW  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99

**STATE OF IDAHO, COUNTY OF CANYON )ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **JEFF HARPER**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

DJW  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99



**STATE OF IDAHO, COUNTY OF CANYON ) ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **BOB BLEDSOE**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99

**STATE OF IDAHO, COUNTY OF CANYON ) ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **JOHN CRAWFORD**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

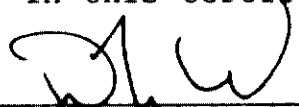
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99

**STATE OF IDAHO, COUNTY OF CANYON ) ss:**

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **DAVID CLAPIER**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Caldwell ID  
My Commission Expires: 12-6-99

STATE OF IDAHO, COUNTY OF CANYON )ss:

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **STEVE REYNOLDS**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

  
\_\_\_\_\_  
Notary Public for Idaho

Residing at: Caldwell ID

My Commission Expires: 12-6-99

STATE OF IDAHO, COUNTY OF CANYON )ss:

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for said State, personally appeared **TIM CORDER**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

\_\_\_\_\_  
Notary Public for Idaho

Residing at:

My Commission Expires:

STATE OF IDAHO, COUNTY OF CANYON )ss:

On this 4 day of March, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared **JOE WEITZ**, known or identified to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

  
\_\_\_\_\_  
Notary Public for Idaho

Residing at: Caldwell ID

My Commission Expires: 12-6-99

ARTICLES OF INCORPORATION

WESTERN IDAHO POTATO COOPERATIVE, INC. - PAGE 10

COLEMAN, RITCHIE & ROBERTSON

ATTORNEYS AT LAW  
156 SECOND AVE. WEST  
P.O. BOX 525

TWIN FALLS, IDAHO 83303-0525

APR 23 8 03 AM '98

JOHN R. COLEMAN  
JOHN S. RITCHIE  
THOMAS M. ROBERTSON

SECRETARY OF STATE  
STATE OF IDAHO  
TELEPHONE (208) 734 1224

FAX (208) 734 3983

April 15, 1998

ATTENTION: Corporation Clerk  
State of Idaho  
Secretary of State  
700 West Jefferson  
PO Box 83720  
Boise ID 83720-0080

Re: Western Idaho Potato Cooperative, Inc., Articles of Incorporation

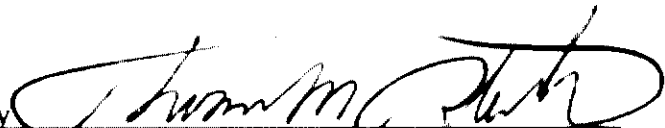
Dear Sir:

Western Idaho Potato Processing Co., consents to the filing of the Articles of Incorporation of Western Idaho Potato Cooperative, Inc. (the Cooperative) notwithstanding the similarity of the Cooperative's name to Western Idaho Potato Processing Co. This consent is given to facilitate the prompt filing of the Articles of Incorporation for the Cooperative. This consent is conditioned upon representations and assurances to Western Idaho Potato Processing Co., by the attorney for the Cooperative and its incorporators that (1) within 45 days of filing the Cooperative will file with the Idaho Secretary of State, Articles of Amendment to the Cooperative's Articles of Incorporation changing the corporate name of the Cooperative to a name which is not deceptively similar to Western Idaho Potato Processing Co.; and (2) pending the change of its corporate name the Cooperative will not conduct business under the name of "Western Idaho Potato Cooperative, Inc."

Very truly yours,

COLEMAN, RITCHIE & ROBERTSON

By



THOMAS M. ROBERTSON

Attorneys for Western Idaho Potato Processing Co.

TMR/sb