

**ARTICLES OF INCORPORATION  
OF**

**KLH DAIRY, INC.**

**FILED**  
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SECRETARY OF STATE  
STATE OF IDAHO

The undersigned natural person of the age of eighteen (18) years or more, having this day acted as incorporator for the purpose of forming a corporation under the Idaho Business Corporation Act, does hereby adopt the following articles of incorporation for such corporation.

**ARTICLE I**

**NAME AND DURATION**

The name of the corporation shall be **KLH DAIRY, INC.**, and its duration shall be perpetual.

**ARTICLE II**

**PURPOSE**

The principal purpose for which the corporation is organized is to engage in the business of farming and ranching, and the ownership and operation of a dairy farm. The corporation shall further be authorized to acquire, manage, mortgage, pledge or otherwise deal in real or personal property, to participate in general or limited partnerships, to establish and franchise other similar businesses, and to carry on such other business as may be necessary, convenient, or desirable and to engage in all other activities and businesses not prohibited by law.

**ARTICLE III**

**CAPITAL STRUCTURE**

The aggregate number of shares which the corporation shall have the authority to issue is 50,000 shares of common stock having a par value of \$1.00 each for a total capitalization of \$50,000.00. When finally paid, such stock shall be voting, nonassessable and not subject to call.

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The corporation shall have the power to adopt by appropriate bylaw a provision or provisions restricting the sale or transfer of shares of stock, provided the same shall be in accordance with applicable law, and this restriction on the right of each stockholder to sell his stock, if any is made, shall be shown on the stock certificate at the time it is issued, or if issued prior thereto, at the time said restriction is adopted.

#### **ARTICLE IV**

##### **MANAGEMENT OF CORPORATION**

The regulation of the internal affairs and the activities and duties of the officers and directors are set forth in the bylaws. The bylaws may be adopted, amended or repealed by a majority vote of the directors voting at a meeting attended by a majority of the directors or by a majority vote of the shareholders voting at a shareholders' meeting.

#### **ARTICLE V**

##### **INITIAL REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the corporation is 20 North 2 East, Franklin, Idaho 83237. The name of the initial registered agent is KORY HOBBS.

#### **ARTICLE VI**

##### **CUMULATIVE VOTING**

Every shareholder entitled to vote at the election of directors may accumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares or by distributing such votes on the same principle among any number of such candidates.

## ARTICLE VII

### DIRECTORS

The number of directors constituting the board of directors of the corporation shall vary from one (1) to six (6) members, as fixed and determined from time to time by the bylaws. The initial board of directors shall consist of one (1) member, as the first director, whose name and address are as follows:

<u>Name</u>	<u>Address</u>
KORY HOBBS	20 North 2 East Franklin, Idaho 83237

## ARTICLE VIII

### LIMITATION OF PERSONAL LIABILITY OF DIRECTORS

To the fullest extent permitted by the Idaho Business Corporation Act or any other applicable law as now in effect or as it may hereafter be amended, a director of this corporation shall not be personally liable to the corporation or its shareholders for monetary damages for any action taken or any failure to take any action, as a director. The corporation shall indemnify and pay for or advance expenses incurred by a director who is made a party to a proceeding, within the meaning of such laws, because such person is or was a director of the corporation.

## ARTICLE IX

### INCORPORATORS

The name and address of each incorporator is:

NAME

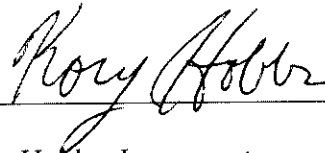
KORY HOBBS

ADDRESS

20 North 2 East

Franklin, Idaho 83237

DATED this 27 day of December, 1999.

A handwritten signature in cursive script, reading "Kory Hobbs", is written over a horizontal line.

Kory Hobbs, Incorporator