

State of Idaho



Department of State.

CERTIFICATE OF INCORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

ST. CHAPELLE VINEYARDS, INC.

was filed in the office of the Secretary of State on the **17th** day of **June** A.D., One Thousand Nine Hundred **seventy-six** and ~~will be~~ recorded on ~~Film No.~~ **microfilm** of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 30-103, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation, by the name hereinbefore stated, for **Perpetual Existence** from the date hereof, with its registered office in this State located at **Emmett, Idaho** in the County of **Gem**

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **17th** day of **June**, A.D., 19 **76**.

Pete T. Cenarrusa
Secretary of State.

Corporation Clerk.

RECEIVED

1976 JUN 17 PM 2 52

ARTICLES OF INCORPORATION

SECRETARY OF
STATE

ST. CHAPELLE VINEYARDS, INC.

* * * * *

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, all of whom are citizens of the United States and being of legal age, in order to form a corporation for the purposes hereinafter stated, pursuant to the Business Corporation Act of Idaho, do hereby certify as follows:

ARTICLE I

The name of this corporation shall be:

ST. CHAPELLE VINEYARDS, INC.

ARTICLE II

The objects and purposes for which this corporation is founded are:

1. To produce, blend, and market wine or beverages.
2. To purchase, own, use and sell any letters patent, licenses, patent applications, inventions or rights under patents, trademarks, copyrights for any legal purposes.
3. To purchase, hire, and acquire any interest of any kind whatsoever, in personal property of any and every character, and deal in personal property of any and every description, and to let or pledge or create any other estate or interest in or encumbrance upon personal property.
4. To acquire the good will, rights, and property of any persons, firms, associations, or corporations engaged in any similar business whatsoever.
5. To purchase, acquire, hold, and dispose of stocks, bonds, and other evidences of indebtedness of corporations wheresoever organized, and to pay for the same in cash or in property or by the issuance of its own stock, bonds, or other obligations, and to exercise in respect thereto all of the rights, powers, and privileges of individual owners or holders thereof, and to exercise all voting powers thereon.
6. To buy, lease, hold and exercise all privileges of ownership over such real or personal property as may be necessary or convenient for the conduct and operation of the business of the corporation or incidental thereto, and to receive and distribute gifts of property at all times.
7. To carry on all business whatsoever which this corporation may deem proper or convenient in connection with any of the purposes herein mentioned or otherwise, or which may be calculated directly or indirectly to promote the interests of this corporation, or to enhance the value of its property or business.
8. To borrow money, to lend money; to own real property; to own personal property; to deal in real property; to deal in

personal property; to have and to exercise all the powers conferred by the laws of the State of Idaho upon corporations formed under the laws pursuant to and under which this corporation is formed, as such laws are now in effect or may at any time hereafter be enacted or amended.

9. To have and to exercise all power, privileges and rights conferred upon corporations by the laws of the State and all powers and rights incidental to carrying out the purposes for which this corporation is formed, except such as are inconsistent with the express provisions of the Act under which this corporation is incorporated.

10. To purchase, hold, sell, exchange or transfer or otherwise deal in shares of its own capital stock, bonds or other obligations from time to time and to such an extent and in such a manner and upon such terms as its Board of Directors shall determine and as permitted by Idaho law; provided that this corporation shall not use any of its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of this corporation; and provided, further, that shares of its own capital stock belonging to this corporation shall not be voted upon directly or indirectly. Shares of stock in this corporation shall not be transferred or sold until said sale or transfer shall have been reported to the Directors and approved by them in writing prior to any such transfer or sale.

11. Any holder of common stock, if desirous of selling or transferring all or any of his shares of common stock, and the executor, administrator, heirs, or personal representative of any deceased holder of common stock, if desirous of selling or transferring all or any of such shares belonging to the estate of such deceased, and the purchaser of any share or shares of common stock, sold on execution or at any judicial sale, if desirous of selling or transferring any such share or shares, and the pledgee of any share or shares of common stock, before bringing any suit, action or proceedings or doing any act to foreclose his pledge, shall first deliver to the President or Treasurer of the corporation, written notice of such desire to sell or transfer, or of intention to foreclose, designating the number of such shares to be sold, transferred or foreclosed, as the case may be, and the number of the certificate or certificates therefor.

In the event the value of the stock has been duly determined by an independent accountant or like bookkeeper pursuant to an annual accounting, then the last such valuation shall be the method of determining value of the stock for all purposes herein mentioned. The "last such valuation" shall be for the current year or the last preceding annual valuation, whichever is the latest valuation. In the event there has been no valuation established as aforesaid, the following procedure shall be followed in determining the value of the stock:

The party desirous of selling or transferring all or any such shares of common stock, as described above, shall provide to the Board of Directors the name and residence address of a person who shall act as an appraiser.

The President, the Treasurer, or the Board of Directors of the corporation shall within ten days after delivery of such notice, select another appraiser and give written notice of his name, and residence address to the person desirous of making such sale, transfer or foreclosure and to the appraiser appointed by him; the two appraisers so selected shall, within a reasonable time

after the giving of the last named notice, select a third appraiser who shall be experienced in accounting or banking or corporation law, and who shall reside in Southwestern Idaho; and they shall at once notify both parties in writing of the name and residence address of said third appraiser.

The three appraisers so selected shall within fifteen days after the selection of the third appraiser, appraise such share or shares proposed to be sold, transferred or foreclosed and the majority of them shall determine the value of the stock as at the time of such appraisal and shall forthwith give written notice of their determination to both parties. Each party shall pay the expenses and fees of the appraiser selected by him or it, and one-half of the expenses and fees of the third appraiser.

The Board of Directors of said Corporation shall thereupon have the option, for thirty days after receipt by the corporation of written notice of the determination of the appraisers, of purchasing such share or shares for the corporation at the appraised value. Payment for such share or shares may be made by the Board by depositing the said appraised value to the credit of such shareholder, executor, administrator, representative, grantee, assignee, or pledgee, as his case may be, in a reputable bank at Emmett, Idaho, to be paid to such person by said bank upon the surrender of the certificate or certificates for said share or shares of common stock properly endorsed; the Board shall give written notice of such deposit to the seller; or the stock may be paid for in installments as hereinafter set out.

Every holder of common stock who, being a director, officer, employee or agent of the corporation, shall whether with or without his fault cease to be a director, officer, employee or agent, and every executor and administrator or representative or heir of any deceased holder of common stock and every purchaser of any shares of common stock sold on execution or at any judicial sale shall immediately offer all shares of common stock by them respectively owned or held, for appraisal and purchase by the corporation as is above set forth, whenever requested by the Board of Directors so to do and no dividend shall be paid or allowed upon any such share or shares, after failure to comply with such request.

Said Board shall not be obliged to purchase any share or shares of common stock at the appraised value aforesaid unless it shall think fit; but if it shall not within the last named thirty days purchase and pay for the said share or shares, such shareholder, executor, administrator, personal representative, grantee, assignee, or pledgee shall be at liberty to sell said share or share to any person whomsoever.

The Board of Directors and the person desiring to sell or foreclose may waive the foregoing requirement as to appraisal and may mutually agree upon the value of any share or shares of common stock to be sold.

Failure of the Board to purchase any share of common stock so appraised and the sale or transfer of said share or shares to any other person, shall not, as to any future sale or transfer of said share or shares, or of any share or shares issued in lieu thereof, discharge any such share or shares of common stock from any of the restrictions herein contained; it being the intent that all restrictions hereby imposed upon the sale or transfer of shares of common stock shall apply to all shares of common stock, whensoever, howsoever, or by whomsoever acquired, in the

hands of all holders or owners, whether original shareholders or subsequent purchasers or transferees, and whether acquired through the voluntary or involuntary act of a shareholder or by operation of law and whether a part of the first authorized issue or of any subsequent or increased issue.

The directors shall have the power and it shall be their duty to sell and dispose of the shares which may be transferred, as aforesaid, to the corporation at such price and for such consideration as they, in their discretion, shall decide, whenever, in their judgment, it can be done with safety and advantage to the close corporation and in all sales made by the Directors under any of the aforesaid provisions, it shall be their duty to sell the shares to such persons as shall appear together from their situation and character most likely to promote confidence in the stability of the close corporation.

In the event the option to buy is not exercised by the Board of Directors, individual stockholders of the corporation shall have the first right to buy on the same terms and conditions as herein stated, and within the same time limitations.

In the event the option to buy is exercised as herein stated, by either the Board of Directors or an individual, the purchaser shall have the option to pay in cash as above stated, or to pay in equal annual installments over a period of 10 year(s), or to pay 29 % down as cash payment, and the balance in 10 equal annual installments, and in the event either of the last two alternative options is exercised, plus accruals of interest computed at the annual rate then being charged by the Federal Land Bank or comparable loan agency in the local area, with the privilege to pay any additional sum without penalty.

12. The foregoing will be construed both as objects and powers, and the enumeration thereof shall not be held to limit or restrict any manner of the powers conferred on this corporation by the laws of the State of Idaho, all of which are hereby expressly granted.

13. Without in any particular limiting any of the objects and powers of this corporation, it is hereby expressly declared and provided that the corporation shall have power to issue bonds and other obligations in payment for property purchased or acquired by it or for any other object in or about its business, to mortgage or pledge any stock, bonds, or other obligations, or any property which may be acquired by it, to secure any bonds or other obligations by it issued or incurred; to guarantee any dividend or bonds or contracts or other obligations; to make and perform contracts of any kind and description; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things, and to exercise any and all other powers which a co-partnership or natural person could do and exercise, and which now or hereafter may be authorized by law.

ARTICLE III

This corporation is to have perpetual existence.

ARTICLE IV

The location and post office address of the registered office of the corporation is 120 North Johns, Emmett, Gen County, State of Idaho, but the corporation may maintain offices and places of business at such other places within or without

the State of Idaho as the Board of Directors may determine.

ARTICLE V

The total authorized number of par value shares is Two Hundred Fifty (250) shares of common stock, the par value of One Hundred and No/100 (\$100.00) Dollars, or a total capital authorization of Twenty-five Thousand and No/100 (\$25,000.00) Dollars. All of said stock shall be of one class; that is, common stock. Restrictions on sale of stock and rights of redemption are above contained within the objects and purposes of this corporation, Article II.

ARTICLE VI

The names and post office addresses of the incorporators and the number of shares subscribed by each are as follows:

<u>Name</u>	<u>Post Office Address</u>	<u>Shares Subscribed</u>
William E. Broich	120 N. Johns Ave., Emmett, Idaho 83617	1
Carmen J. Broich	120 N. Johns Ave., Emmett, Idaho 83617	1
Joe Bowman	223 E. 7th St. Emmett, Idaho 83617	1
Vicki J. Bowman	223 E. 7th St. Emmett, Idaho 83617	1

ARTICLE VII

The Board of Directors shall consist of no less than four (4) members and they shall perform such duties and have such powers as shall be prescribed by the by-laws and Idaho laws; including but not limited to, the power to repeal and amend by-laws and adopt new by-laws. The general officers of said corporation, their qualifications and manner of election shall be prescribed by the by-laws, and shall also be governed by Idaho law pertaining thereto.

ARTICLE VIII

The corporation reserves the right to amend, alter, or repeal any provision contained in this certificate of incorporation in the manner now or hereinafter prescribed by the statutes of Idaho.

ARTICLE IX

The private property of the stockholders of the corporation shall not be subject to the payment of corporate debts to any extent whatever, and the shares of the corporation shall not be subject to assessments for the purposes of paying expenses, conducting business, or paying debts of the corporation.

ARTICLE X

A voluntary sale, lease or exchange of all of the property and assets of the corporation, including its goodwill and its corporate franchises, may be made by the Board of Directors upon such terms and conditions as it may deem expedient and for the best interests of the corporation.

ARTICLE XI

The stockholders and organizers of this corporation plan and hereby adopt and elect to issue the corporate stock pursuant to Section 1244, Internal Revenue Code. The period of offering the "1244 stock" shall be from the date of incorporation to no later than two years from said date of incorporation. This is a small business corporation; there has been no offering of stock prior to adoption of the "1244 stock" plan; the stock must be issued for money or other property, not including stock or securities, except as permitted by the Internal Revenue Code under Sec. 1244, and related sections of the Internal Revenue Code. The amount of stock to be issued under this plan plus the aggregate of money or other property received by it for its stock as a contribution to capital or as paid in surplus, shall not exceed \$500,000.00. In addition, the aggregate amount of stock which may be issued under said plan plus the equity capital of the corporation does not exceed \$1,000,000.00 on this date of adoption of said plan. The statements made in this paragraph are to adopt said plan and to qualify for "1244 stock." The authorized capital stock of this corporation shall be governed and limited by other specific articles contained herein, pursuant to Idaho law. The directors are authorized to issue only 250 shares of stock for a maximum amount of \$25,000.00. Such authorization shall expire no later than two (2) years from the date this corporation is duly issued a corporate license.

IN WITNESS WHEREOF, we, the incorporators, and named herein as the first Board of Directors, have hereunto set our hands and seals this 31st day of May, 1976.

William E. Broich

Carmen J. Broich

Joe Bowman

Vickie J. Bowman

STATE OF IDAHO)
) ss.
County of Gem.)

On this 31st day of May, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared WILLIAM E. BROICH, CARMEN J. BROICH, JOE BOWMAN and VICKIE J. BOWMAN, known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation and acknowledged to me that they executed the same as incorporating directors.

Samuel S. Searle
Notary Public for State of Idaho
Residing at Emmett, Idaho