

# State of Idaho



## Department of State.

### CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, ARNOLD WILLIAMS, 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

**FRANKLIN COUNTY GRAIN GROWERS, INC.**

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the **Twenty-seventh** day of **December**, 19 **62**, original articles of amendment, as provided by Section **30-146, 30-147, and 22-2609, Idaho Code, amending ARTICLE VII re revolving capital and increasing capital stock to \$602,500.00; and adding new ARTICLE VIII,**

and that the said articles of amendment contain the statement of facts required by law, and are recorded on Film No. **121** of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

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 **27th** day of **December**, A. D., 19 **62**.

Secretary of State

CERTIFICATION OF AMENDMENT OF ARTICLES OF INCORPORATION OF

FRANKLIN COUNTY GRAIN GROWERS, INC.

The undersigned LELAND L. AUGER and WYANE S. EVANS do hereby declare and certify that they are respectively the duly elected, qualified and acting President and Secretary of the FRANKLIN COUNTY GRAIN GROWERS, INC., an agricultural cooperative corporation duly organized and existing under the Agricultural Marketing law of the State of IDAHO, and further certify as follows:

1. The regular time and place for the duly noticed meeting of the board of directors of said corporation for the purpose of voting upon amending the Articles of Incorporation of said association was the 8th day of December, 1962, at the hour of 1:30 o'clock p. m. at the County Court House Building in the City of Preston, County of Franklin, State of Idaho.

2. That said duly noticed meeting of said board of directors was held at the appointed time and at said meeting amendments to the Articles of Incorporation were duly adopted by passage of a resolution which was identical in language to the resolution thereafter on the same day adopted by the stockholders at their duly noticed annual meeting, as hereinafter set out in full.

3. That the number of directors voting in favor of said resolution was five. The number voting against said resolution was none. The board of directors consisted of five directors.

4. That the time and place for the regular annual meeting of the stockholders of said incorporated association was duly noticed in accordance with law and held at the above stated place in the City of Preston, County of Franklin, State of Idaho pursuant to said notices on the 8th day of December, 1962, at 2:00 o'clock p. m. at which time and place the following resolution for amending of said Articles of Incorporation was duly adopted:

RESOLVED: That Sections 1 and 2 of Article VII of the Articles of Incorporation of FRANKLIN COUNTY GRAIN GROWERS INC. as heretofore amended and a new Article VIII on amending powers are amended to hereafter read as follows:

AMENDMENTS TO ARTICLES OF INCORPORATION OF

FRANKLIN COUNTY GRAIN GROWERS, INC.,

ARTICLE VII

CAPITAL STOCK AND REVOLVING CAPITAL - DISSOLUTION.

Section 1. (a) The capital stock of this association shall consist of two thousand five hundred (2,500) shares of common, membership, voting stock of a par value of one dollar (\$1.00) per share amounting to a membership common stock capital of two thousand five hundred dollars (\$2,500) and thirty thousand shares of non-voting, non-cumulative ten dollars (\$10.00) par value preferred stock amounting to a preferred stock capital of three hundred thousand dollars (\$300,000.00), and three hundred thousand shares of non-voting, non-dividend bearing Class A common stock of a par value of one dollar (\$1.00) per share, amounting to three hundred thousand dollars (\$300,000.00) of Class A common stock. No dividends shall be declared or paid on membership, voting common stock nor upon Class A non-voting common stock. The dividend rate on preferred stock, as and when declared, shall be not less than two per cent (2%) and not more than four per cent (4%) per annum, and dividends on preferred stock shall be non-cumulative.

(b) Non-stock capital of this association shall consist of allocated, book-credit loan capital, known as Class A and Class B book-credit capital, which shall hereafter be acquired and built up from annually accumulated patrons' net margins and from association net income from non-patronage transactions and from patronage income from the federal government or any of its agencies, if any. It may also consist of certificates of indebtedness issued as revolving or as non-revolving capital and of certificates of revolving capital representing invested revolving capital. All non-stock capital of the association acquired from patrons' net proceeds of sales or purchases and other gains shall be allocated to patrons pro rata to patronage and noticed to them in writing on or before the 15th day of the ninth month following the close of each fiscal year as required by the Revenue Act of October 16, 1962. All of the uncertificated, allocated, book-credit, loan capital including outstanding certificates of indebtedness which are declared redeemable on a revolving capital basis, shall be and are hereby classified as Class A revolving fund, book-credit, loan capital provided by patrons, and the other part of non-stock capital, to the extent provided in the bylaws, shall be classified and designated as Class B, book-credit, long-term, non-revolving, fixed-facility, loan capital. Class B non-revolving, book-credit capital shall become due for repayment upon the expiration of the charter of the corporation or at the time of earlier dissolution should that occur. Both Class A and Class B book-credit capital shall be deferred debts to the claims of general creditors.

(c) The reduction surplus of nine dollars (\$9.00), or less for patrons who have paid more than one dollar (\$1.00) but less than ten dollars (\$10.00) toward the former ten dollars (\$10.00) par value of a share of voting membership common stock, is hereby converted into, classified and designated as Class B, long-term, book-credit, non-revolving loan capital of the respective patrons and written notice of the respective amounts of this acquisition of Class B, book-credit capital shall be given to patrons on or before eight and one-half months after the close of the current fiscal year.

(d) That portion of the revolving capital fund of this association represented by outstanding certificates of revolving capital and existing rights to such form of non-stock revolving capital are hereby reclassified and converted into, and shall hereafter be designated and known as Class B, fixed-facility, non-revolving, book-credit, long-term, loan capital. The identity of the respective amounts of such revolving capital certificates heretofore issued to patrons for respective fiscal years or rights thereto now accrued shall hereafter be identified and designated as the same amounts of Class B, book-credit, loan capital for the particular year of issue and for this fiscal year in which some right of issue has accrued, and will hereafter accrue as Class B, book-credit capital.

(e) No dividends shall be paid on non-stock, invested patronage capital represented by any certificates of revolving capital or other qualified allocation of invested non-stock capital, and no interest shall be paid upon either Class A or Class B loaned, allocated and duly noticed book-credit capital, nor upon revolving capital certificates of indebtedness, if any are outstanding or hereafter issued. Non-revolving certificates of indebtedness may bear interest of not to exceed six per cent (6%) per annum as may be determined by the board of directors before issue thereof, and until otherwise determined such certificates shall not bear interest.

(f) Common membership stock shall be issued or held only by agricultural producers, whose eligibility and method of acquiring membership shall be as provided in the bylaws, provided that each member-stockholder shall be entitled to only one share and one vote.

(g) Preferred stock may be held by anyone, but the holders thereof shall have no vote nor voice in the management of the association. It may be redeemed in the manner provided in the bylaws but only at par and declared and unpaid dividends thereon, if any.

(h) Except as otherwise provided in this Article VII both stock and non-stock capital of this association shall be issued, transferred, redeemed, revolved, released, held in treasury and reissued, or retired as provided in the bylaws of the association.

Section 2. (a) Members and non-members alike, in consideration of the right granted to them to market their products and/or to purchase equipment or supplies through this association hereby make a continuing subscription to the Class A revolving book-credit, loan-capital fund and to the Class B long-term, fixed-facility, non-revolving, book-credit, loan-capital fund of the association; and agree to provide and supply to the association all of their respective allocable shares of patronage distributions including patronage refunds and patronage dividends (above the twenty per cent (20%) which the association agrees to pay annually in cash) in such proportions between the said Class A and Class B book-credit capital as may be provided in the bylaws; and until otherwise provided in the bylaws patrons agree to supply eighty per cent (80%) of their allocated patronage as follows: thirty per cent (30%) thereof to Class A, book-credit capital and fifty per cent (50%) thereof in Class B, book-credit capital **after May 31, 1963.**

(b) The association agrees to distribute to patrons proportional to patronage the net proceeds of sales and savings after payment of all costs and expenses, and payment of dividends on preferred stock, if any, twenty per cent (20%) in cash, and until otherwise provided in the bylaws thirty per cent (30%) to be represented by qualified allocations and letters of advice showing that amount carried to Class A revolving, book-credit capital and fifty per cent (50%) to be represented by qualified allocations and letters of advice showing that amount carried to Class B, non-revolving, book-credit, long-term capital, which allocations shall be made and letters of advice mailed to patrons within eight and one-half months after the close of each fiscal year as required by the Revenue Act of October 16, 1962. **Said percentages govern patronage occurring after May 31, 1963.**

AND RESOLVED FURTHER: That a new Article VIII be adopted amending the existing provision on the amending powers of this cooperative corporation to be effective upon adoption, and to hereafter read as follows:

ARTICLE VIII  
AMENDMENTS

Section 1. The Articles of Incorporation may be amended by a two-thirds vote of the member-stockholders attending an annual meeting or a special meeting called for the purpose of amending the Articles of Incorporation, of which special meeting a prior written notice of at least ten days shall have been mailed to voting stockholders stating generally the nature and purpose of the amendments to be proposed.

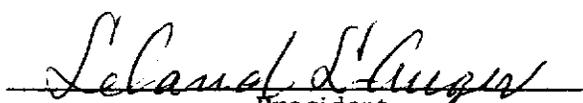
Section 2. This association reserves the right to amend, alter, change, or repeal any of the provisions contained in the Articles of Incorporation in the manner now or hereafter authorized by law; and all rights conferred upon officers, directors, stockholders, and holders of certificated and uncertificated capital interests on a patronage basis are granted subject to this reservation; and the powers to amend shall include the power of increasing, decreasing, or reclassifying authorized and issued capital stock of any form and non-stock, patronage-capital interests, and of altering or changing the preferences given to one or more classes of stock or to one or more classes or kinds of certificated or uncertificated patronage capital interests of members and non-member patrons and to alter and change the par value of any stock by increasing or decreasing the same, or the stated value of any patronage capital interests.

The foregoing resolutions were duly adopted upon motion duly made and seconded and by a vote of more than two thirds of the stockholders present and voting, and there was present at said meeting more than a sufficient number to form a quorum.

WITNESS THE HAND AND SEAL OF THE CORPORATION BY ITS OFFICERS

Attest:

  
Secretary

  
President

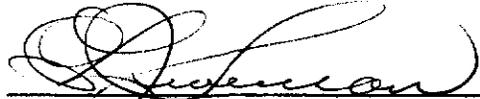
STATE OF IDAHO )

ss.

(Corp. Seal)

COUNTY OF FRANKLIN )

On this 8th day of December, 1962, before me a Notary Public, personally appeared Leland L. Auger President, and Wayne S. Evans, Secretary of Franklin County Grain Growers, Inc., known to me to be said officers of said corporation, and they acknowledged to me that they executed the foregoing certificate of amendment of the said Articles of Incorporation.



Notary Public

Residing at Preston, Idaho

My commission expires:

2/6/64