



Department of State

CERTIFICATE 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 original of the articles of incorporation of

MAGIC VALLEY GROWERS, INC.,

was filed in the office of the Secretary of State on the **23th** day of **February** A.D. One Thousand Nine Hundred **Sixty-six** and ~~was~~ **will be** duly recorded on

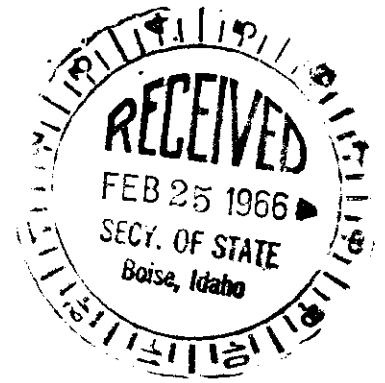
~~microfilm~~ **microfilm** of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 22-2608, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation by the name stated in the articles for **21 1/2** years from the date hereof, with its registered office in this State located at **Twin Falls,** in the County of **Twin Falls**, Idaho, and as such are entitled to all the rights and privileges granted to, and subject to the limitations and requirements of a Cooperative Marketing Association, as provided in said Chapter 26 of Title 22, Idaho Code.

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 **23th** day of **February**, A. D., 19**66**.

Secretary of State.

ARTICLES OF INCORPORATION
OF
MAGIC VALLEY GROWERS, INC.



The following Articles of Incorporation are adopted pursuant to a joint agreement of Twin Falls Co-op Supply, Inc., an Idaho cooperative marketing association, and Jerome Grange ~~and~~ Supply Company, an Idaho cooperative marketing association, providing for their consolidation into Magic Valley Growers, Inc.:

ARTICLE I

Name

The name of this cooperative corporation is MAGIC VALLEY GROWERS, INC., and it shall conduct business as and it is a cooperative marketing association.

ARTICLE II

Duration

The duration of this cooperative corporation shall be fifty years.

ARTICLE III

Purposes and Powers

The purposes for which this cooperative corporation is organized and the powers it shall exercise in addition to general powers as defined by Section 22-2606, Idaho Code, Annotated, are the following:

(a) To promote and provide a medium for unity of effort in buying, marketing and distributing of petroleum products, automotive accessories, farm machinery equipment, fertilizers, farm chemicals, feeds, and farm supplies of every kind and nature; to serve as an agency through which economies in agricultural production may be accomplished through collective buying, marketing and distributing of merchandise of every kind and nature; and to encourage and develop cooperation among both farmer producers and consumers.

(b) To engage in any activity in connection with production, processing, manufacturing, financing, buying, transporting, storing, handling, selling, marketing and distributing of farm supplies; and to buy, sell and otherwise handle any other commodities that may be bought, sold or otherwise handled, marketed and distributed to the advantage of the cooperative and its patrons.

(c) To engage in the business of processing, preparing for market, handling, transporting and marketing farm products or by-products.

(d) To establish, maintain and provide facilities for efficiently and economically storing, handling, transporting, manufacturing and marketing in any capacity and on any business that may be agreed upon, farm products and by-products and other products for farm use. ✓

(e) To buy farm products from its members and others and to sell the same.

(f) To enter into contracts if deemed advisable with members or others requiring them to market their farm products for a specified period to or through this cooperative corporation, or to purchase their supplies and services from or through this cooperative corporation.

(g) To purchase and sell any farm products or by-products on its own account or as agent or otherwise; and to buy and sell any commodities or services whatever that may be needed by the cooperative or its patrons, or that may be advantageously handled as a part of the cooperative business.

(h) To carry on a general marketing, supply and storage business.

(i) The cooperative shall not deal in farm products, farm supplies and farm business services with or for non-members in an amount greater in value than the total amount of such business transacted by it with or for members provided that business transacted for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and non-member business transacted by the cooperative.

(j) To purchase, or otherwise acquire, hold, and operate and dispose of the whole or any part of any other business, or any and all business connected therewith, when it appears to the Board of

Directors that the acquisition and operation of such business would be beneficial to the interests of this cooperative, and to undertake the whole or any part of the liabilities or obligations of any such business and to pay for such business or the liabilities or obligations thereof in cash or by its notes, bonds, debentures, preferred stock or other way.

(k) To enable this cooperative to carry out the purpose for which it is organized, it shall have all the corporate powers set forth in Chapter 26, Idaho Code, Annotated, and in addition thereto and not in diminution thereof, have the following powers: ✓

(1) To make application for, to acquire, own, hold, use and administer all manner of patent rights, copyrights, trademarks, trade names, and any interest therein, and to sell, assign, license or otherwise dispose of the same.

(2) To make any guarantee respecting stocks, dividends, securities, indebtedness, interest, contracts, or other obligations created by an individual, partnership, association, corporation or other entity.

(3) To enter into any lawful arrangement for giving rebates or discounts based upon value of business transacted, sharing profits, union of interest, cooperative effort with ✓ any corporation, association, partnership, individual, or other legal entity for the carrying on of any business,

the purpose of which is similar to the purposes set forth in this Article, and to enter into any general or limited partnership, the purpose of which is similar to such purposes.

(4) To purchase, hold and reissue the shares of its capital stock, capital reserve certificates, certificates of equity, preferred stock, and other evidence of interests in this cooperative corporation, all as provided by law and the Bylaws of the cooperative corporation.

(1) To own canneries and canning equipment, packing houses, warehouses and all other facilities necessary for the processing, marketing, transportation or distribution of any agricultural commodities of the patrons of the cooperative corporation and facilities necessary in the business of furnishing supplies and equipment to the patrons of the cooperative corporation upon the cooperative plan.

(m) This corporation shall have the power to act in its own name as principal or agent; to contract with producers, distributors, marketers, refineries, manufacturers, brokers, wholesalers or others, both in the United States and in foreign countries; to establish its own agencies or branches anywhere at any time; to act as a joint agency or as representative of other cooperative

corporations, associations, partnerships and individuals; to become a stockholder or member of other cooperative corporations and associations; to maintain and establish joint agencies for the marketing of agricultural and horticultural commodities of any kind, nature and description upon the non-profit cooperative basis or otherwise; to join other organizations and otherwise cooperate with individuals and with groups of individuals, associations and corporations, cooperative and non-cooperative, as by law may be permitted.

(n) To engage in any activity in connection with farming including, but not limited to, the conducting of experimental farm projects, farm research, and education programs beneficial to agriculture.

(o) The foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this cooperative corporation but said cooperative corporation shall have all the privileges and immunities granted by the Acts of Congress of the United States and the laws of the State of Idaho relating to cooperative corporations and be subject only to such restrictions and limitations as may be contained in said Acts of Congress and the laws of the State of Idaho. It is further expressly provided that this cooperative corporation shall have full, complete and ample power to engage in and transact any lawful business whatever

upon the cooperative plan, and to do any and all things necessary therefor to the same extent as any natural person might or could do as principal, agent, contractor, factor, or otherwise, alone or in the company of others, except as such powers may be restricted or denied by the Acts of Congress of the United States or the laws of the State of Idaho as hereinabove referred to.

ARTICLE IV

Capital Structure and Membership

This cooperative corporation is organized without capital stock. The property rights and interests of each member shall be equal. This cooperative corporation shall have the power to admit new members who shall be entitled to share in the property of this cooperative corporation with the old members as provided in the By-Laws.

ARTICLE V

Place of Principal Business

The place where the principal business of this cooperative corporation will be conducted will be at 363 2nd Ave. South Street, Twin Falls Idaho.

ARTICLE VI

Function

This cooperative corporation is formed to function upon a cooperative basis for the mutual benefit of its members. All margins shall be annually allocated and disclosed to each member solely upon the basis of his respective patronage. This cooperative corporation shall, immediately upon approval of the articles by the Secretary of

the State of Idaho, apply for membership in and qualify as a member patron of Pacific Supply Cooperative, a wholesale farmer cooperative corporation of the State of Oregon.

Jerome Grange Supply Company

John Mogensen

President

Twin Falls Co-op Supply, Inc.

J. H. Sharp

President

Max O. Suter

Secretary

Frank E. Wells

Secretary

Sworn to and Subscribed before me this 23rd day of February, 1966.

John Mogensen, J. H. Sharp, Max O Suter and Frank E Wells

Jack A. Coogan

Notary for Idaho

Residing in Twin Falls

Comm Expires 5/10/68

JOINT AGREEMENT

THIS JOINT AGREEMENT, made and entered into as of this 17 day of January, 1966, by and between TWIN FALLS CO-OP SUPPLY, INC., an Idaho Cooperative marketing association, hereinafter referred to as "TWIN FALLS" and JEROME GRANGE ~~AND~~ SUPPLY COMPANY, an Idaho cooperative marketing association, hereinafter referred to as "JEROME", together hereinafter referred to as "the Units";

WITNESSETH:

WHEREAS, the Units are cooperative marketing associations located within the Magic Valley area of the State of Idaho; and

WHEREAS, the parties hereto deem it to be in their best interests to consolidate into a single cooperative marketing association with membership in PACIFIC SUPPLY COOPERATIVE, an Oregon cooperative corporation, which is a regional farmers supply and marketing cooperative; and

WHEREAS, all parties concerned agree that such consolidation should be effected at the earliest possible moment;

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties hereto, in consideration of the premises hereof and of the mutual promises, agreements and covenants as hereinafter set forth, as follows:

1. The Units shall be consolidated into one cooperative marketing association, to conduct business under the name and style of MAGIC VALLEY GROWERS. The directors of both Units hereby agree to subscribe to the terms and conditions of such consolidation and the mode of carrying the same into effect, and agree to submit this Joint Agreement to the membership of each of the Units for approval thereof at the earliest possible date after their subscription hereof.

2. Upon such consolidation, the corporate existence of each of the Units shall cease and they shall continue in business as MAGIC VALLEY GROWERS.

3. The Articles of Incorporation of MAGIC VALLEY GROWERS shall be in the form which is attached hereto and marked "Articles of Incorporation of MAGIC VALLEY GROWERS", and the by-laws shall be in the form which is attached hereto and marked "By-laws of MAGIC VALLEY GROWERS".

4. Each member of each Unit shall be issued a \$1.00 paid up membership certificate in MAGIC VALLEY GROWERS dated as of the date of consolidation, provided, however, that any person who holds membership in both of the Units shall be issued only one membership certificate in MAGIC VALLEY GROWERS and the records shall reflect that he has a \$10.00 book credit in JEROME allocated during the last fiscal year of JEROME'S existence.

5. Upon consolidation, PACIFIC SUPPLY COOPERATIVE shall undertake to appraise the value of all of the assets of the Units as of the date of the consolidation excepting only the land and improvements of the Units. Such appraisal shall be on the basis of the fair market value of such assets on such date. The amount of the liabilities of each of the Units shall be similarly determined by PACIFIC SUPPLY COOPERATIVE, employing accepted accounting methods therefore. The amount of the liabilities of each Unit shall be subtracted from the appraised value of such assets as of the date of consolidation and the remainder shall be "net worth" of each Unit as of the date of consolidation, exclusive of the value of land and improvements. Each patron of each Unit shall be given a book credit on the books of MAGIC VALLEY GROWERS for the amount that he would have received if the Unit in which he had held some equity had been dissolved on the date of consolidation and an amount of cash equal to the net worth had been available for dis-

tribution to the equity holders. At such time or times thereafter as MAGIC VALLEY GROWERS shall sell its interests in any of the land or improvements acquired by reason of this consolidation, the net worth of the Unit that contributed such land or improvements to MAGIC VALLEY GROWERS and the book credits of the individual patrons thereof, shall be adjusted to reflect the amount received (or the principal amount to be received if such sale is on a time basis,) as a result of such disposition. In the event that the title to any land or improvements which has been acquired from the Units, remains with MAGIC VALLEY GROWERS three years after the date of consolidation, other than for security purposes, MAGIC VALLEY GROWERS shall have said land and improvements appraised by independent appraisers to determine the fair market value thereof as of the date of consolidation and such appraised figure shall be added to the net worth of the Unit contributing such land and improvements to MAGIC VALLEY GROWERS and the book credits of its patrons shall be adjusted as hereinbefore set forth.

6. For purposes of being revolved or redeemed in any manner whatsoever after the date of consolidation, the book credits of MAGIC VALLEY GROWERS allocated pursuant to paragraph 5 hereof, shall be credited on the basis of the calendar year that the equities in the Units were allocated. They shall be revolved in the manner and at the time provided in the by-laws of MAGIC VALLEY GROWERS.

7. At the meetings of the membership of the Units at which this Joint Agreement is submitted for approval, the membership shall, if it approves of the agreement, elect from each of their memberships, two directors of MAGIC VALLEY GROWERS, one to serve for a term of three years and one to serve for a term of two years. The four directors so elected shall, at the first meeting of the Board of Directors of MAGIC VALLEY GROWERS, elect the Director at large, who shall serve for a term of one year and who shall, thereafter,

be elected by the membership of MAGIC VALLEY GROWERS in accordance with the by-laws of that association, together with such other officers as are authorized in the by-laws. If the membership or either Unit does not otherwise determine a method for filling the three year and two year terms of office of the Directors, the candidate for Director receiving the largest number of votes shall be the Director for the three year term and the candidate receiving the second largest number of votes shall be the Director for the two year term.

8. Upon the execution hereof by the Directors of both of the Units and until the consolidation becomes effective or is abandoned:

a. either Unit may allocate margins but such allocation must be in the form of a non-cash credit except to the extent that cash payments are required in order to make such allocations deductible by such Unit; the restriction provided herein does not apply to payment made for products marketed without respect to the Unit's margins.

b. Both Units may continue to accept applications and fees for membership.

c. Neither Unit shall redeem or pay any previously allocated margin or any other liability arising as a result of the Unit's margins.

d. All accounts payable and liabilities shall be paid in normal course without advancement.

9. Except as otherwise provided herein, this Joint Agreement and the consolidation will take effect upon the filing of this Joint Agreement executed by a majority of the Directors of both of the Units and by the President and Secretary of both of the Units upon approval of the membership of both of the Units, as

required by law, with the Secretary of State of the State of Idaho, whereupon the separate existence of both Units shall cease, and both of the Units shall be consolidated into MAGIC VALLEY GROWERS in accordance with the provisions of this Joint Agreement.

10. The President and Secretary duly elected by MAGIC VALLEY GROWERS shall, forthwith, and upon their election, execute a membership agreement with PACIFIC SUPPLY COOPERATIVE in the usual form and shall negotiate such other, additional agreements as they shall, together with PACIFIC SUPPLY COOPERATIVE deem to be in the best interests of MAGIC VALLEY GROWERS.

11. If, at any time after the effective date of the consolidation, MAGIC VALLEY GROWERS shall be advised of any instrument for further assurance or desirability in order to evidence the vesting in MAGIC VALLEY GROWERS of the title of any of its property or rights, the appropriate Officers and Directors of either Unit, at the date of the consolidation, shall furnish the same. In addition, the appropriate Officers and Directors of MAGIC VALLEY GROWERS, are hereby authorized to execute and acknowledge all such instruments for further assurance, and to do such other acts and things in the name of either Unit or in the name of MAGIC VALLEY GROWERS, after the date of such consolidation, as may be requisite or desirable to carry on the purposes of this Joint Agreement as hereinabove expressed.

IN WITNESS WHEREOF, this Joint Agreement has been executed by a majority of the Directors of both of the Units and by virtue of the two-thirds affirmative vote of the membership of each of the two Units present at a meeting called to consider the matter, by the President and Secretary of each of said Units as

of the day and year first hereinabove written.

J.M., Inc.

TWIN FALLS CO-OP SUPPLY, INC.

JEROME GRANGE SUPPLY COMPANY

By *Kenneth Park*
Director

By _____
Director

By *Lawrence Kalkreuth*
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By *W W Handy*
Director

By _____
Director

By *J R Webster*
Director

By *J H Sharp*
President

By *John Mogenssen*
President

By *Frank E Wells*
Secretary

By *Max O. Sute*
Secretary

"TWIN FALLS"

"JEROME"

CERTIFICATE OF CONSOLIDATION

STATE OF IDAHO)
County of Jerome) ss.

I, Mar. C. Suter, being first duly sworn, according to law, depose and say:

That, at all times herein mentioned, I was and am at this time the Secretary of JEROME GRANGE ~~•~~ SUPPLY COMPANY, a cooperative marketing association organized under the Cooperative Marketing Act of the State of Idaho. X

That the foregoing Joint Agreement was adopted by affirmative vote of two-thirds of the members of said association present at a special meeting of the members of said association, duly noticed, called and convened on the 4 day of February, 1966, at which meeting there was present in person a quorum of the members of the association as required by the By-laws of said association.

Mar. C. Suter

Subscribed and sworn to before me this 11th day of FEBRUARY, 1966.

Comm. Expires 5-10-68

Jack J. Couger
Notary Public for Idaho
Residing at Timber Falls, Idaho

STATE OF IDAHO)
County of Timber Falls) ss

I, Frank E. Wells, being first duly sworn, according to law, depose and say:

That, at all times herein mentioned, I was and am at this

TIME THE Secretary of TWIN FALLS CO-OP SUPPLY, INC., a cooperative marketing association organized under the Cooperative Marketing Acto of the State of Idaho.

That the foregoing Joint Agreement was adopted by affirmative vote of two-thirds of the members of said association present at a special meeting of the members of said association, duly noticed called and convened on the 3 day of February, 1966, at which meeting there was present in person a quorum of the members of the association as required by the By-laws of said association.

Frank E. Wills

Subscribed and sworn to before me this 11TH day of FEBRUARY, 1966.

COMM EXPIRES 5-10-68

Jack J. Sawyer
Notary Public for Idaho
Residing at Twin Falls, Idaho

STATE OF IDAHO)
County of Twin Falls) ss.

ON THIS 11TH Day of FEBRUARY, 1966, before me appeared JOHN MOGENSEN and J. H. SHARP


each to me personally known, who being duly sworn, did say that he, the said JOHN MOGENSEN is the President of JEROME GRANGE ^{J.M.} SUPPLY COMPANY, and that he, the said _____ X

J. H. SHARP, is the President of TWIN FALLS CO-OP SUPPLY, INC., and that the seals affixed to the foregoing instrument are the corporate seals of each of their respective associations, and that the said instrument was signed and sealed in behalf of each of their respective associations by authority of each Board of Directors and memberships, and _____ and _____

acknowledged said instrument to be the free act and deed of each of their respective associations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year last above written.

Comm
Expire 5-10-08


Notary Public for Idaho
Residing at Twin Falls, Idaho