



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-eighth** day of **May**, **19 65**,

original articles of amendment, as provided by Section **s 30-146, 30-147 and 22-2609, Idaho Code, amending ARTICLE VII, reorganizing capital structure, decreasing capital stock to \$302,500.00; and ARTICLE VIII, powers and procedures for amendments of articles of incorporation,**

and that the said articles of amendment contain the statement of facts required by law, and ~~are~~ ^{will be} recorded on ~~Film~~ **microfilm** 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 **28th** day of **May**, **19 65**,
A. D., 19 65.

ARNOLD WILLIAMS
Secretary of State

By Deputy Secretary of State

CERTIFICATION OF AMENDMENT OF ARTICLES OF INCORPORATION OF
FRANKLIN COUNTY GRAIN GROWERS, INC.

The undersigned Leland L. Auger and Wayne 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 12th day of December, 1964, at the hour of 10:30 o'clock A.M. at the Franklin Cafe 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 County Court House in the City of Preston, County of Franklin, State of Idaho, pursuant to said notices on the 12th day of December, 1964, 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 the capital structure of Franklin County Grain Growers, Inc., be reorganized and amended, and to accomplish the purpose, that ARTICLE VII of the Articles of Incorporation of said agricultural, cooperative corporation on CAPITAL STOCK AND NON-STOCK CAPITAL be and the same is hereby amended and completely revised to hereafter read as follows:

ARTICLE VII

CAPITAL STOCK AND NON-STOCK CAPITAL

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 (\$1.00) dollar per share amounting to a membership, common-stock capital of two thousand five hundred (\$2,500) dollars and thirty thousand shares of non-voting, non-cumulative ten (\$10.00) dollars par value preferred stock amounting to a preferred stock capital of three hundred thousand (\$300,000.00) dollars. No dividends shall be declared or paid on membership, voting, common stock. The dividend rate on preferred stock, as and when declared, shall be not less than two (2%) per cent and not more than four (4%) per cent per annum, and dividends on preferred stock shall be non-cumulative.

(b) Non-stock capital of this incorporated association may consist of any of the types or kinds of non-stock allocations of net proceeds of sales and savings allowed by the Revenue Act of 1962 for tax-exempt, cooperative corporations. However, unless and until otherwise provided in the by-laws of this association its non-stock capital, other than donated capital, shall consist of Class A and Class B book-credit capital. Class A book-credit capital shall be the revolving-fund, book-credit loan capital of the association. Class B book-credit capital shall be the long-term, non-revolving, fixed-facility, loan capital, deferred as to redemption. Class B book-credit capital shall become due for repayment upon the expiration of the corporate charter or at a time of earlier dissolution should that occur. Both Class A and Class B book-credit, loan capital shall be deferred debts to the debts owing to general creditors, and no interest or return shall be paid on either Class A or Class B book-credit capital.

The donated capital of the association is and shall remain as permanent capital until a dissolution of the association or a corporate reorganization modifying or changing its legal status. If donated capital shall become impaired by operational losses, it shall not be rebuilt from net proceeds of sales and savings of this non-profit corporation, but all net patronage margins, and the income from any non-patronage transactions shall be annually allocated to patrons as provided in the articles of incorporation and by-laws of the association.

(c) All non-stock capital, other than donated capital, allocated to patrons for the fiscal years prior to June 1, 1964, in whatever form, whether formerly represented by certificates of indebtedness, certificates of revolving capital or by uncertificated book credits, and whether represented by a reclassification of non-stock capital into Class A and Class B book-credit capital, is hereby reclassified as follows:

Fifty per cent of said total annual patronage allocations outstanding and unredeemed for each fiscal year prior to June 1, 1964 is hereby reclassified as Class B, quasi-permanent, book-credit capital. Should there be less than fifty per cent of such allocated patronage remaining outstanding and unredeemed for any such fiscal year, then the whole thereof is hereby reclassified as Class B, quasi-permanent, book-credit capital.

The allocated patronage remaining outstanding and unredeemed for said fiscal years above the fifty percent thereof herein reclassified as Class B book-credit capital, is hereby reclassified as Class A revolving book-credit capital.

(d) The voting, membership, common stock shall be issued only to agricultural producers, whose eligibility, method of acquiring membership, and methods of termination of membership or part of membership rights shall be as provided in the by-laws of the association. Member-stockholders shall be entitled to own only one share of membership common stock and shall have only one vote.

(e) Preferred stock may be held by anyone, but the holders thereof shall have no vote or voice in the management of the association. Preferred stock may be redeemed in a manner provided in the by-laws, but only at par and declared and unpaid dividends thereon, if any.

(f) Except as otherwise provided in this ARTICLE VII both stock and non-stock capital of this association shall be issued, transferred, reclassified, redeemed, revolved, released, held in treasury, and may be reissued or retired, as provided in the by-laws of the association.

Section 2 (a). SUBSCRIPTIONS OF PATRONS TO BOOK-CREDIT CAPITAL

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 do hereby make a continuing subscription to the Class A and

the Class B book-credit loan capital of the association, and do agree to pay toward said continuing subscriptions their annually-allocated net proceeds of sales and savings, proportional to their respective patronage, above such amount as the association shall agree to distribute to them in cash. They agree to pay the respective percentages of non-cash allocations of patronage toward the Class A and the Class B book-credit, loan capital as shall be provided in the by-laws from time to time.

(b) AGREEMENT TO PROVIDE CLASS "A" AND CLASS "B" BOOK-CREDIT CAPITAL.

Unless and until otherwise provided in the by-laws, said patrons agree to pay on said continuing subscriptions, beginning with accruals of patronage on June 1, 1964 and continuing thereafter, fifteen (15%) per cent of their total annual allocable net proceeds of sales and savings toward acquisition of Class A revolving, book-credit capital and forty-five (45%) per cent thereof toward acquisition of Class B non-revolving, book-credit, loan capital.

(c) ANNUAL DISTRIBUTION OF NET PROCEEDS OF SALES AND SAVINGS.

Unless and until otherwise provided in the by-laws, this association agrees that beginning as of the fiscal year of June 1, 1964 and thereafter, to distribute to patrons their share of annual net proceeds of sales and savings proportional to patronage, after payment of all costs and expenses, and the payment of a dividend on preferred stock, if any,--forty (40%) per cent thereof in cash, fifteen (15%) per cent thereof in Class A revolving capital book-credits, and forty-five (45%) per cent thereof in Class B long term, non-revolving, capital book credits.

Section 3. DISSOLUTION.

Upon distribution of assets caused by voluntary dissolution or termination of the corporation charter produced by other cause, the assets of the association, so far as available, shall be distributed as follows: first, to legally allowable expenses and costs of liquidation; then to lien creditors, if any, next to general creditors; next to holders of preferred stock up to the par value of their stock, plus declared and unpaid dividends, if any; next to holders of membership, voting common stock up to the par value of their shares, without any dividends; and lastly, the remainder of the assets if any, shall be distributed to all claimants of non-stock, capital and allocable amounts of net proceeds of sales and savings accrued but not yet allocated, if any, proportional to the valid patronage claims of each patron.

AND RESOLVED FURTHER: That ARTICLE VIII on POWERS AND PROCEDURES FOR AMENDMENT OF THE ARTICLES OF INCORPORATION be amended and revised to hereafter read as follows:

ARTICLE VIII

AMENDMENTS

Section 1. The Articles of Incorporation may be amended by approval of the proposed amendments by the board of directors at a duly called meeting and by a vote of two-thirds of the stockholders at the annual meeting or at a special meeting called for that purpose, at which a quorum is present. Written notice of any such meeting must be given to the stockholders at least ten days prior to such meeting and such notice shall contain either a copy of the amendments to be considered and voted upon or a statement in general terms of the nature and purpose of the proposed amendments.

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 of 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 HANDS, AND SEAL OF THE CORPORATION, BY ITS OFFICERS

Attest:

Wayne S. Evans
Secretary

Leland L. Auger
President

(Corp. Seal)

STATE OF IDAHO)
COUNTY OF FRANKLIN) ss.

On this 25th day of May, 1965, 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, and being first duly sworn, they did say, that the foregoing statement of facts are true of their own knowledge.

My commission expires:

4-4-66

Dave L. Greene

Notary Public

Residing at Preston, Idaho.