

FILED EFFECTIVE

2005 FEB 28 AM 8:33 ... 2 EXHIBIT A

SECRETARY OF STATE OF IDAHO  
RESTATED ARTICLES OF INCORPORATION

OF

UNITED CO-OP, INC.

TO BE KNOWN AS

VALLEY WIDE COOPERATIVE INC.

Pursuant to a Plan of Unification by merger of Valley Wide Cooperative Inc. with and into United Co-op, Inc. and Idaho Code §§ 22-2608(e), 22-2609, 22-2626, 30-3-93 and 30-3-94, by affirmative vote of the greater of (i) two-thirds (2/3) of the members present at a special meeting of members, after due and legal notice thereof, at which there was present a quorum of the members as specified in the bylaws and (ii) a majority of the members of each of United Co-op, Inc. and Valley Wide Cooperative Inc., United Co-op, Inc. adopts the following restated articles of incorporation:

**ARTICLE I**  
**NAME**

The name of this Association is "VALLEY WIDE COOPERATIVE INC."

**ARTICLE II**  
**POWERS AND PURPOSES**

The powers and purposes of this Association are as follows:

Section 1. Business With Members. To do all on a nonprofit, cooperative basis as agent for its Members, and to perform all acts and things and carry on and conduct all business and trade, authorized by the Cooperative Marketing Act of the State of Idaho.

Section 2. Business With Non-Members. To transact business of the types and in the manner described in Section 1 above with or for Non-Members on either a profit or non-profit basis, in an amount in value in any one fiscal year that does not exceed the amount in value of such business transacted with Members in any such year.

**ARTICLE III**  
**TERM**

The term for which this Association shall exist is perpetual.

IDAHO SECRETARY OF STATE  
02/18/2005 05:00  
CR: 12140 CT: 110610 DR: 754030  
F 32.00 = 32.00 MEMBER 02

C 23102

**ARTICLE IV**  
**MEMBERS AND ASSOCIATES**

Section 1. Qualifications. The qualifications for membership and rights and responsibilities of Members shall be as provided in the Bylaws (and any rules, regulations or policies adopted by the Board of Directors pursuant thereto) as they now exist or may hereafter be amended or established.

Section 2. Membership Fee. The Association shall have a membership fee of \$1.00 or such other amount as the Board of Directors shall determine from time to time. No capital stock shall be issued to evidence membership. The Association may issue a certificate or other evidence of membership in such manner, form and device as the Board of Directors shall from time to time prescribe.

Section 3. Limitations on Transfer. Membership in the Association shall be nontransferable except as provided in the Bylaws.

Section 4. Voting; Property Rights.

(a) Voting power of the members of the Association shall be equal and each Member shall have one vote only. Voting by proxy and by mail shall be permitted in such instances and in the manner as provided by the Bylaws of the Association from time to time in effect.

(b) The property rights and interests of each Member of the Association shall be unequal, and shall be determined and fixed in the manner specified in Articles V and VI below.

Section 5. Associates. Any person who does not, or ceases to, qualify as a Member may be admitted into the Association as an associate (hereinafter, "Associate"). Associates may have any or all of the rights, privileges and obligations of Members except the right to vote in, or be a Director or Officer of, the Association. Associates may be designated "Associate Members," but the word "Member" as used in the Association's Articles of Incorporation and Bylaws shall refer only to a voting member. The word "Patron" or "Patrons" as used in the Association's Articles of Incorporation and Bylaws shall include Members, Associates and Non-Members.

**ARTICLE V**  
**BOOK CREDITS, CAPITAL FUNDS AND RESERVES**

Section 1. Authority. The Association, through its Board of Directors, shall have the power to establish book credits, capital funds and other reserves (allocated or non-allocated) to

provide funds for its purposes in the manner provided by the Bylaws by retains from margins or proceeds otherwise payable to the Members or by other methods of collection. The designations, preferences, limitations, and relative rights of each class or series of book credits, funds and reserves shall be determined by the Board of Directors upon issuance or creation of the same.

Section 2. Records. The amounts supplied as book credits or to the various classes of capital funds and other allocated reserves shall be credited to the respective persons by whom supplied, and the books of the Association shall indicate the amounts credited to each such person.

Section 3. Voting: Rights. The holders of book credits, capital funds and allocated reserves shall have no vote or voice in the management or control of the Association by virtue of their ownership thereof, nor shall they have any preference in the distribution of assets except as provided in these Articles of Incorporation.

Section 4. Transferability. Book credits, capital funds and allocated reserves shall be nontransferable except in the case of death, operation of law, or as otherwise allowed by the Board of Directors in its discretion (hereinafter a "permitted transfer").

Section 5. Redemption and Repayment. The Association may and it hereby reserves the right at any time, or from time to time, to call, purchase, redeem, retire, cancel or reissue, for any reason, any and all of its then outstanding book credits, capital funds or allocated reserves in such amounts as the Board of Directors may determine by paying to the respective holders thereof or by depositing to their order at the office of the Association a sum or sums equal to the stated amount thereof as shown on the books and records of the Association. Written notice of such deposit shall be given to the holders of record of such book credits, capital funds or allocated reserves so purchased or called by mailing such notice to their last known address as shown by the records of the Association.

## **ARTICLE VI**

### **RIGHTS AND PRIORITIES**

Section 1. Rights. No Member shall have any property rights whatsoever in the Association or any of its assets by reason of his membership. In the event the membership of any Member shall terminate for any reason whatsoever, such Member shall not thereupon become entitled to demand or receive any interest in the property or assets of the Association, but shall be entitled only to receive payment of his interest in any book credits, capital funds, or allocated reserves in accordance with the rules, regulations and policies adopted by the Board of Directors.

Section 2. Evidence of Transfer. No permitted transfer of any interest in book credits, capital funds, and allocated reserves shall be of any effect, or entitle the transferee to be paid or to receive any money from the Association, until evidence of such transfer satisfactory to the Association shall be submitted to the Association.

Section 3. Books and Records Conclusive. In calling or purchasing or in paying over any monies supplied as book credits, capital funds and allocated reserves, the Association may rely solely upon its own records and shall not be liable to any person other than the person appearing by its records to be the owner thereof and entitled to receive money thereon.

Section 4. Right of Offset. No permitted transfer of any interest in book credits, capital funds and allocated reserves shall be valid until all claims of the Association against the registered holder thereof have been paid in full. The Association shall have the right to offset any indebtedness of a Patron to the Association against: (a) any sums payable by the Association to such Patron; (b) such Patron's book credits, capital funds and allocated reserves in the Association; and/or (c) the cash portion of any patronage dividend payable by the Association to such Patron. Each Patron of the Association does hereby make, constitute and appoint the Association such Patron's attorney-in-fact for him and in his name, place and stead, for his use and benefit, to sign, endorse, and deliver to the Association such portion of the cash portions of such Patron's patronage dividend as may be necessary to satisfy any indebtedness of such Patron to the Association.

Section 5. Premature Redemption or Payment. In the event the Association shall be obligated to redeem or otherwise liquidate a Patron's interest in any book credits, capital funds or allocated reserves other than in the ordinary course of its business, including without limitation, cases where such amounts are applied in whole or partial satisfaction of the claims of a Patron's creditors (including the Association itself or its assigns) or of the trustee in bankruptcy or cases where such amounts are required to be directly paid to a Patron or his creditors or successors or assigns, then such interests shall be discounted to their present value. For purposes hereof, present value shall be calculated with reference to the Association's history of redeeming those interests of its Patrons which are of similar character to those being prematurely redeemed (e.g., with reference to classification, type or year of issuance, etc.) over the ten (10) year period immediately preceding such premature redemption and with the use of a discount rate equal to the prime rate as published in the Wall Street Journal on the date of redemption or such greater rate, at the Board of Directors' option, as may then be appropriate.

Section 6. Dissent. In the event any Member shall be authorized to dissent from certain Association actions under any applicable law then in effect and such Member dissents thereunder, such Member shall only be entitled to receive payment of his interest in any book credits, capital funds or other allocated reserves as and when payment would have been received had no dissent occurred. In the event the Association shall be obligated to make premature payment therefore, pursuant to such "dissenter's rights," the valuation provisions of Section 5 of this Article shall apply. In no event, however, shall such interest be valued at more than the actual consideration contributed to the Association therefore, or the fair value thereof, whichever is less.

Section 7. Association Priority on Dissolution or Liquidation. In the event of dissolution or liquidation of the Association, all assets of the Association or proceeds thereof shall be distributed in the following order or priority: (a) In payment of all secured liabilities,

then of all unsecured liabilities of the Association, other than such as are hereinafter specified; (b) In payment of the issuance amount of any outstanding book credits or capital funds retained from Patrons, without regard to the time of issuance, pro rata; (c) In payment of any allocated reserves, pro rata; (d) In payment of the membership fees paid by all Members of record at the commencement of dissolution or liquidation, pro rata; and (e) If any balance remains, it shall be distributed among the Members of the Association in proportion to their patronage of this Association during the ten (10) years next preceding the date of the dissolution or liquidation.

## **ARTICLE VII**

### **REGISTERED OFFICE AND AGENT**

The address of the registered office of the Association is 1175 West Main, Rexburg, Idaho 83440 and the name of its registered agent at such address is David J. Holton.

## **ARTICLE VIII**

### **DIRECTORS AND OFFICERS LIABILITY; INDEMNIFICATION**

Section 1. (a) Except as provided in subdivision (b) below, a member of the Board of Directors or an officer of this Association shall not be individually liable for any act or omission in the course and scope of his official capacity unless the act or omission constitutes gross negligence.

(b) Nothing in subsection (a) above shall limit or modify in any manner the duties and liabilities of a director or officer of this Association to the Association or the Association's Members.

(c) To the extent permitted by the laws of the State of Idaho, a member of the Board of Directors of this Association shall not be personally liable to the Association or to its members for monetary damages for conduct as a director except for: (1) acts or omissions that involve intentional misconduct or a knowing violation of the law by such director; or (2) for any transaction from which the director will personally receive a benefit in money, property or services to which such director is not legally entitled.

(d) If the laws of the State of Idaho are amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Association shall be eliminated or limited to the fullest extent permitted by such laws as so amended. Any repeal or modification of the foregoing paragraphs by the Members of the Association shall not adversely affect any right or protection of a director or officer of the association existing at the time of such repeal or modification.

Section 2. To the fullest extent, and in the manner, permitted by the laws of the State of Idaho, the Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative or investigative (whether brought by or in the

right of the Association or otherwise) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding. Reasonable expenses incurred by him in connection with such action, suit or proceeding may be paid or reimbursed by the Association in advance of the final disposition of such proceeding in the manner permitted by the laws of the State of Idaho.

Section 3. The right to indemnification and the payment of expenses incurred in defending any action, suit or proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Restated Articles of Incorporation, Bylaws, agreement, vote of Members or disinterested directors, or otherwise.

Section 4. The Association may purchase and maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, employee or agent of the Association, or is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify such person against such liability under the laws of the State of Idaho.

#### **ARTICLE IX** **AMENDMENTS**

Section 1. These Restated Articles of Incorporation may be altered or amended in any respect, at any regular meeting or at any special meeting called for that purpose. An amendment must first be approved by two-thirds (2/3) of the directors and then adopted by the affirmative vote of two-thirds (2/3) of the Members of the Association present at such meeting; provided, that a quorum as specified in the Bylaws of the Association be present at such meeting and, provided further, that no provision of these Restated Articles of Incorporation relating to property rights or interests of Members shall be altered, amended or repealed, except by the written consent or the vote of a majority of the Members.

Section 2. This Association reserves the right to amend, alter, change or repeal any of the provisions contained in the Articles of Incorporation or Bylaws in the manner now or hereafter authorized by the law; and all rights conferred upon officers, directors, Members, Patrons and holders of book credits, capital funds and allocated reserves are granted subject to this reservation.

#### **ARTICLE X** **BOARD OF DIRECTORS**

The affairs of the Association shall be managed by a board of not less than five (5) directors, elected by the Members from their own number. The number of directors and their terms of service shall be set as provided in the Bylaws of the Association. The names and addresses of the persons who are to serve as directors until the next annual meeting of the Members or until their successors are elected and qualified are:

Timm Adams  
17 East 514 Lane North  
Rupert, Idaho 83350

Marty Rochford  
275 East 200 North  
Rupert, Idaho 83350

Darren Onishi  
1000 North 495 West  
Paul, Idaho 83347

Jim McCall  
203 South 1050 West  
Heyburn, Idaho 83336

David Rollheiser  
211 North 400 West  
Paul, Idaho 83347

Dana Rasmussen  
457 North 200 West  
Paul, Idaho 83347

Jeff Sigmon  
51 East 50 South  
Rupert, Idaho 83350

Byron Jensen  
5975 West 3800 South  
Rexburg, Idaho 83440

Roger Clark  
809 North 3600 East  
Menan, Idaho 83434

Mel Briggs  
3626 East 500 North  
Rigby, Idaho 83442

Jerry Hall  
793 North 3900 East  
Rigby, Idaho 83442

Steve Christensen  
1037 East 1400 North  
Shelley, Idaho 83474

Rex Baum  
1408 North 3600 East  
Ashton, Idaho 83420

Bart Rigby  
2441 Robison Drive  
Rexburg, Idaho 83440

#### Certificate of Member Approvals

The undersigned certifies as follows:

1. The foregoing Restated Articles of Incorporation required the approval of the Members of United Co-op, Inc. ("United") and the Members of Valley Wide Cooperative Inc. ("Valley Wide") pursuant to an Agreement and Plan of Unification to merge United and Valley Wide with United being the surviving association

2. United has one class of Members. United has   \*   memberships outstanding. The number of votes entitled to be cast by the Members of United on the Restated Articles of Incorporation was   \*  , and the number of votes of Members of United indisputably voting on the Restated Articles of Incorporation was   \*  .

3. The total number of undisputed votes of Members of United cast for the Restated Articles of Incorporation was   \*  . The number of votes of Members of United cast for the Restated Articles of Incorporation was sufficient for approval by the Members of United.

4. Valley Wide has one class of Members. Valley Wide has   \*   memberships outstanding. The number of votes entitled to be cast by the Members of Valley Wide on the Restated Articles of Incorporation was   \*  , and the number of votes of Members of Valley Wide indisputably voting on the Restated Articles of Incorporation was   \*  .

5. The total number of undisputed votes of Members of Valley Wide cast for the Restated Articles of Incorporation was   \*  . The number of votes of Members of Valley Wide cast for the Restated Articles of Incorporation was sufficient for approval by the Members of Valley Wide.

6. No other person was required to approve the Restated Articles of Incorporation.

DATED effective as of the 1<sup>st</sup> day of April, 2005.

As to voting of United Members:

UNITED CO-OP, INC.

By Timm Adams  
Timm Adams, President

As to voting of Valley Wide Members:

VALLEY WIDE COOPERATIVE INC.

By Bryon Jensen  
Bryon Jensen, President

\*If the Restated Articles of Incorporation are approved, the voting numbers will be added after the voting results from the special meeting of members are known.