

B0055-0806 04/27/2018 9:19AM Rec'd by SD SOS

**RESTATED ARTICLES OF INCORPORATION (THIRD)
OF
CBH CO-OP**

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, have this day adopted Restated Articles of Incorporation (Third) of CBH CO-OP under and pursuant to Chapter 47-15 of the South Dakota Codified Laws of the State of South Dakota and all Acts amendatory thereof and supplemental thereto and to that end hereby adopt the following Restated Articles of Incorporation which shall supersede the existing Articles and Amendments thereto:

**ARTICLE I.
NAME AND PRINCIPAL PLACE OF BUSINESS**

Section 1. Name. The name of this corporation shall be the "CBH CO-OP".

Section 2. Location. The location, principal place of business of this cooperative shall be 2030 Main Street, Sturgis, South Dakota 57785, and the name of its registered agent at such address is Jeff Dragseth.

**ARTICLE II.
OBJECTS AND DURATION**

Section 1. Purpose. The purposes for which this association is organized shall be to engage in any activity within the purposes for which cooperatives may be organized and activities in connection with the marketing or selling of the agricultural products of its members and to receive, purchase, grade, harvest, preserve, dry, process, can pack, store, handle, ship, and to otherwise deal in, utilize, and act as a commission merchant with reference to the agricultural products produced by its member and other producers in order to remit to them the largest possible net returns for their products; and to purchase, manufacture, assemble, process, sell, store, handle, ship, distribute, and otherwise supply and procure farm supplies, equipment, and machinery for its member and other persons at the lowest possible net cost to them; and to finance any of the above enumerated activities. All its activities shall be conducted strictly upon the cooperative plan and on a non-profit basis, it shall not engage in any activity with any view to any gain or profit for its own account; and no financial gain or profit shall accrue to be paid to any member solely by reason of his/her membership in this cooperative.

Section 2. The general nature of its business shall be to buy for its member ad patrons, gasoline, fuels, LP gas, oils, farm machinery, automobile supplies and accessories, tires, batteries, twine, feed, and other merchandise used on the farm and in the homes of members and patrons, and to market all or any agricultural products produced or delivered to it by its members and patrons.

Section 3. To carry out the purposes stated this cooperative shall have power to:

- (A) To have succession by its corporate name.
- (B) To sue and be sued, complain and defend in any court.
- (C) To establish and use a common seal and alter the same.

- (D) To hold, purchase and convey such real and personal property as the purpose of the cooperative may require, including stock or membership in subsidiary, allowed of similar cooperatives within or without this state.
- (E) To appoint such officers and agents as the business may require, including in every case a president and a secretary, and to fix their compensation.
- (F) To make Bylaws not inconsistent with law for the management of its property, the regulation of its business and the transfer of its stock or membership.
- (G) To engage in any activity in connection with the purchase, hiring or use by its members of supplies, machinery or equipment, or in the financing of such activities, or in any one or more of the activities specified in this sub-section.
- (H) To borrow money and to mortgage any and all assets of the cooperative.
- (I) To act as agent or representative of any member or members in any of the activities mentioned in sub-section (G) and (H) of this section.
- (J) To issue revolving fund certificates, certificates of interest or certificates of equity.
- (K) To purchase or otherwise acquire, and to hold, own and exercise all rights of ownership in, and to sell, transfer of pledge shares of the capital stock or bonds, or memberships of any corporation or association organized under the Cooperative Laws of this or any other state except as limited by law.
- (L) To do each and everything necessary, suitable or proper for the accomplishment of any one of the purposes or the attainment of any one or more of the objects herein enumerated; and to contract accordingly; and in addition to exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the cooperative is organized or to the activities in which it is engaged; and in addition any other rights, powers, and privileges granted by the laws of this state to ordinary corporations, except as are inconsistent with the express provisions of these Articles; and to any such things anywhere.

Section 4. The corporate existence of this cooperative shall be of perpetual duration, unless dissolved by law or by a two-thirds affirmative vote of all members at a meeting called for that purpose.

ARTICLE III. CAPITAL STOCK

Section 1. The amount of capital stock of this cooperative shall be \$10,000,000, which shall be divided into 100,000 shares of the par value of \$100.00 each; 10,000 of said shall be Preferred Stock "A" and 2,000 shares shall be Common and the remaining 88,000 shares shall be Preferred.

Section 2. The Common Stock of the cooperative not to exceed one share shall at all times be issued to and held only by producers of agricultural products or by

cooperative associations (as defined in the Agricultural Marketing Act, 12 U.S.C.A., Sec. 1141 J) whose members are such producers, or cooperative associations of such producers, or both such producers and such cooperative associations that do business annually in the minimum amount of \$1,000 or to be determined by the board of directors from time to time. Common stockholders shall be the only members of the cooperative. Only common stockholders shall have power to vote, except that any cooperative association which is a common stockholder shall have the power, by its board of directors or its stockholders, to elect or appoint any person to represent it any meeting of the stockholders. No dividends (interest) shall be paid on the outstanding Common Stock of the cooperative.

Section 3. Preferred Stock and Preferred Stock A may be issued to any person, association or corporation, but neither class of Preferred Stock shall have any voting power or rights nor participate in the management of the affairs of the cooperative. No interest or dividends shall be paid on the Preferred Stock of the cooperative, except that dividends (interest) not exceeding eight percent (8%) per annum may be paid upon Preferred Stock A if and when declared from savings. Dividends shall not be cumulative. In case of dissolution or liquidation of the cooperative the owners of Preferred Stock A shall be entitled an limited to receive the par value of their stock, plus any accrued and unpaid dividends thereon, before any payment of distribution is made to holders of other classes of stock.

Section 4. The outstanding Preferred Stock A of the cooperative may be retired in whole or in part by the cooperative at any time as determined by the board of directors upon paying to its holders the par value thereof and any accrued and unpaid dividends thereon upon surrender of the certificates evidencing such shares, and the cooperative may select which particular shares of Preferred Stock A it will so retire. The outstanding Common Stock and Preferred Stock of the cooperative may be retired in whole or in part at any time, as determined by the board of directors in accordance with the provisions of the Bylaws.

Section 5. Transfers of stock shall only be made with the approval of the board of directors and shall only be made upon the books of the cooperative by the stockholder in person or pursuant to a power-of-attorney duly executed and acknowledged and filed with the secretary of the cooperative, and upon surrender of the certificate for such shares and no transfer shall be made unless and until any and all indebtedness owing to the cooperative by the stockholder has been paid in full.

Section 6. The cooperative shall have a prior lien, with the usual right of enforcement of ordinary liens, upon all outstanding capital stock, patronage capital and all other evidences of patronage equities outstanding on the cooperative's books, for any indebtedness due the cooperative. This cooperative shall also have the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the amount of such capital stock, patronage capital or other interest outstanding on its books; provided, however, that nothing contained herein shall give the holders of such capital stock, patronage capital or other interests any right to have such set off made.

The cooperative may discount the value of the stock and equity credits. The method of discounting the value of the stock and equity credits shall be to calculate the present value of the credits based on the number of years to the expected redemption of the stock and equity credits had the offset against the indebtedness not occurred.

The discount rate shall be equal to the cooperative's rate that it pays on term debt. If the discounted stock and equity credits are more than the indebtedness to be offset, the

excess credits shall be returned, in the Board's discretion, either at the time of the offset, or in normal redemption cycle along with every other patron's equities. If the discounted stock and equity credits are less than the indebtedness to be offset, the cooperative's lien shall continue against future stock and equity credits allocated to the patron, which shall be discounted and offset against the remaining indebtedness.

Section 7. The board of directors shall establish reasonable and necessary valuation reserves, and may establish reasonable and necessary reserves for other proper corporate purposes as may be required by state law, all in accordance with generally accepted accounting principles.

Section 8. The total annual net savings of this association shall be distributed annually to the extent and in the manner provided in the Bylaws.

Section 9. Upon dissolution the assets of the association shall be distributed in the following order:

- (a) To pay the cost of dissolution.
- (b) To pay any liabilities.
- (c) To pay the allocated Statutory Reserve.
- (d) To pay the par value of the outstanding Preferred Stock A.
- (e) To pay the par value of the outstanding Preferred and Common Stock Certificates of Interest.
- (f) Any amount remaining shall be distributed to members and patrons in such proportions as patronage of each patron during a base period (the base period shall be comprised of the fiscal year proceeding dissolution plus three (3) full years preceding said fiscal year) is in proportion to the total patronage of all patrons during said basis period, unless paid in full prior to dissolution.
- (g) Each patron's patronage in said base period shall be disregarded in distribution of remaining Property when their share of patronage is less than an amount determined by the Board of Directors.

**ARTICLE IV.
BOARD OF DIRECTORS**

Section 1. The management of this association shall be vested in a board of directors composed of not more than fourteen (14) common stockholders as set out in the Bylaws. Such directors shall be elected at the annual meeting of the stockholders for terms of three (3) years or until their successors are elected and qualified. Vacancies in the board of directors shall be filled by the board until the next annual meeting.

Section 2. The names and places of residence of those who shall compose the initial board of directors until their successors are elected and qualified are as follows:

| | | |
|---------------|----|----------------------------|
| Cliff Jensen | of | Whitewood, South Dakota |
| Steve Harwood | of | Union Center, South Dakota |
| Tammy Basel | of | Union Center, South Dakota |

B0059-0810 04/27/2018 9:15AM Rec'd by SD SOS

| | | |
|------------------|----|-------------------------|
| Ron Grubl | of | Sturgis, South Dakota |
| Jeff Barber | of | Enning, South Dakota |
| Ken Snyder | of | Piedmont, South Dakota |
| Casey Miller | of | Spearfish, South Dakota |
| Charlene Camblin | of | Gillette, Wyoming |
| Philip Habeck | of | Moorcroft, Wyoming |
| Annie Brimmer | of | Biddle, Montana |
| Chuck Tweedy | of | Gillette, Wyoming |
| Dave Reed | of | Hulett, Wyoming |
| Dave Edwards | of | Gillette, Wyoming |
| Marcie Wagoner | of | Gillette, Wyoming |

Section 3. To the fullest extent permitted by South Dakota Codified Laws as the same exist or may hereafter be amended, a director of this cooperative shall not be liable to the cooperative, its members or stockholders for monetary damages for breach of fiduciary duties as a director.

**ARTICLE V.
INCORPORATORS**

Section 1. The names and places of residence of the original incorporators of this cooperative are as follows:

| | | |
|-----------------------|----|----------------------------|
| Clifford L. Halvorson | of | Union Center, South Dakota |
| B. F. Mutchler | of | Viewfield, South Dakota |
| Lysle Gray | of | Box Elder, South Dakota |
| F. A. Mooney | of | Viewfield, South Dakota |
| Lawrence F. Blazek | of | Marcus, South Dakota |

**ARTICLE VI.
EFFECTIVE DATE**

Section 1. These Restated Articles of Incorporation shall be effective as of May 1st, 2018, as approved by the stockholders on February 20, 2018, and shall supersede the existing Articles of Incorporation and amendments thereto.

IN WITNESS WHEREOF, we have hereunto set our hands this 10th day of April, 2018.

[Signature page to follow]

B0059-0811 04/27/2018 9:19AM Rec'd by SD SOS



Cliff Jensen, President
Board of Directors

ATTEST:

Tammy Basel
Tammy Basel, Secretary
Board of Directors