

**ARTICLES OF INCORPORATION  
OF  
MONTANA PREMIUM PROCESSING COOPERATIVE**

We, the undersigned, all of whom are engaged in the production of agricultural products, do hereby voluntarily associate ourselves together for the purpose of forming a cooperative agricultural marketing association, with capital stock, under the provisions of the Cooperative Marketing Act, Title 35, Chapter 17 of the Montana Code Annotated.

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

The name of this Cooperative shall be: *Montana Premium Processing Cooperative*

The Cooperative shall have its principal place of business at 300 River Dr N, Great Falls, MT 59401.

**ARTICLE II  
PERIOD OF DURATION**

This Cooperative shall have perpetual existence.

**ARTICLE III  
PURPOSES AND LIMITATIONS**

**Section 1. Purposes.** This Cooperative is organized for the purpose of associating a number of agricultural producers for the following purposes:

- (1) To receive, purchase, store, handle, grade, preserve, dry, process, pack, ship, finance, advertise, market, sell, distribute and otherwise deal in the agricultural products produced by its members and others;
- (2) To purchase, manufacture, process, store, handle, sell, ship, distribute, finance, furnish, supply, and procure farm supplies and equipment and to perform services for its members and other persons; and
- (3) To engage in any activity within the purposes for which cooperative agricultural marketing associations may be organized, and all such activities shall be deemed within its purposes.

**Section 2. Limitations.** This Cooperative shall not market or sell the

products of nonmembers in an amount the value of which exceeds the value of the products marketed or processed for members. It shall not purchase supplies and equipment for nonmembers in an amount the value of which exceeds the value of the supplies and equipment purchased for members. It shall not purchase supplies and equipment for persons who are neither members nor producers of agricultural products in an amount the value of which exceeds fifteen percent (15%) of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the limitations imposed by this section.

## **ARTICLE IV CAPITAL STOCK**

**Section 1. Authorized Capital Stock.** This Cooperative is organized with capital stock. The authorized capital stock of this Cooperative shall consist of:

300 shares of Membership Stock with a par value of (\$5,000) per share and;

10,000 shares of Preferred Stock with a par value of (\$1,000) per share.

This Cooperative may also establish and maintain such other types of equity credits as may be provided in the Bylaws.

**Section 2. Membership Stock.** Each member of the Cooperative is required to own one (1) share of Membership Stock. Shares of such stock may be held only by agricultural producers (individuals, firms, partnerships, corporations, cooperatives, or other organizations) who reside and do business in the State of Montana, who have met the requirements for membership provided for in the Bylaws and who are accepted for membership by the Board of Directors. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at any meeting of the members.

In the event the Board of Directors of the Cooperative shall find that any shares of Membership Stock of this Cooperative have come into the hands of any person who is not eligible for membership, or that the holder thereof has ceased to be an eligible member, such holder shall have no rights or privileges on account of such stock, or vote or voice in the management or affairs of the Cooperative other than the right to participate in accordance with law in case of liquidation or dissolution. In such event, the Cooperative shall have the right, at its option, (a) to purchase such stock at the lesser of its issuance price or book value; or (b) to require such holder of any such stock to convert it into nonvoting preferred stock or a nonvoting certificate of interest representing the lesser of the issuance price or book value of such stock.

In exercising its right to purchase or to require the transfer or conversion of

Membership Stock into Preferred Stock or a nonvoting certificate of interest, if such holder fails to deliver the certificate or certificates evidencing the stock, the Cooperative may cancel such certificate or certificates on its books and issue certificates of Preferred Stock or nonvoting certificates of interest, as the case may be, to the party entitled thereto.

The Membership Stock of this Cooperative may be transferred only with the consent of the Board of Directors of the Cooperative and on the books of the Cooperative, and then only to persons eligible to hold it. No purported assignment or transfer of Membership Stock shall pass to any person not eligible to hold it any rights or privileges on account of such stock, or vote or voice in the management or in the affairs of the Cooperative.

**Section 3. Preferred Stock.** The Preferred Stock of this Cooperative may be issued to any individual, cooperative, partnership, corporation, or other organization. It shall carry no voting rights. Preferred Stock may be issued in classes as determined by the Board of Directors. Preferred Stock may be transferred only with the consent of the Board of Directors and on the books of the Cooperative.

**Section 4. Dividends.** No dividends shall be paid on the Membership Stock of this Cooperative. Noncumulative dividends of not greater than eight percent (8%) per annum may be paid on the Preferred Stock, when, if and as declared and fixed by the Board of Directors.

**Section 5. Revolvement.** When it is determined by the Cooperative that it has sufficient working capital, it may redeem certificates of interest, equity credits, or unit retains upon notice in writing by mail to the shareholder's last post office address as shown by the Cooperative's records. Such equity interest, credits, or unit retains may be called for payment in chronological order with reference to date of issue, in which case all of such equity interest, credits or unit retains issued in a given fiscal year shall, as nearly as practicable, be called at the same time; or may be called on the basis of a percentage of all of said equity outstanding, in which case the same percentage of said equity held by each holder shall be called at the same time, without regard to the date of issue. The Board of Directors, in its sole discretion, shall also have the authority to pay or redeem equity held in the name of deceased patrons or when patrons reach a specified age.

## **ARTICLE V PATRONAGE REFUNDS**

The net income (Total Annual Net Savings) shall be allocated and distributed on the basis of patronage, and the records of the Cooperative shall show the interest of patrons in the reserves as more fully provided in the Bylaws. Allocated patronage income retained by the Cooperative shall be redeemable only as determined by the Board of Directors.

## **ARTICLE VI FIRST LIEN**

This Cooperative shall have a first lien on all shares of its capital stock, equity credits or on any other interest distributed on a patronage basis standing on its books for all indebtedness of the respective holders or owners thereof to this 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, equity credits or any other interest distributed on a patronage basis standing on its books; provided, however, that nothing contained herein shall give the holders of such stock, equity credits or any other interest distributed on a patronage basis, any right to have such set-off made. The Board of Directors may subordinate its first lien, with respect to an individual member or on a general cooperative-wide basis, to certain creditors or classes of creditors of the member(s).

## **ARTICLE VII DISSOLUTION**

In the event of any liquidation, dissolution or winding up of this Cooperative, whether voluntary or involuntary, the assets of the Cooperative shall be distributed in the following order:

- (a) To pay the costs of dissolution;
- (b) To pay any liabilities, including payments owed to patrons for agricultural products delivered;
- (c) To pay the paid in capital attributable to the outstanding Preferred Stock;
- (d) To pay the paid in capital attributable to the outstanding Equity Stock;
- (e) To pay all patronage and other equity credits;
- (f) To pay the paid in capital attributable to the outstanding Membership Stock;
- (g) Any remaining assets shall be distributed among the members, in the proportion which the aggregate patronage of each member bears to the total patronage of all members, as shown by the records of the Cooperative.

## **ARTICLE VIII INCORPORATORS**

The name and address of each incorporator is as follows:

<b><u>NAME</u></b>	<b><u>ADDRESS</u></b>
Jess Alger	7617 Elevator Road, Standford, MT 59479
Eric Bergman	8 Clark St, Fort Shaw, MT 59443
Brett Debruycker	1692 6th Lane NE, Dutton, MT 59433
Paul Neubauer	34804 Road 140 N, Havre, MT 59501
Benjamin Peterson	1025 Heavenly Hollow Lane, Judith Gap, MT 59453
Walter Schweitzer	16361 Hwy US 87, Geysers, MT 59447

#### **ARTICLE IX BOARD OF DIRECTORS**

This Cooperative shall be governed by a Board of Directors, of not less than five (5) members, who shall be elected and qualified as provided in the Bylaws. The above named incorporators shall constitute the temporary Board of Directors until the Cooperative's first meeting of members.

#### **ARTICLE X LIMITATIONS ON LIABILITY**

No director of this Cooperative shall be personally liable to this Cooperative or its members for monetary damages for any action taken or any failure to take any action as a director, except liability for:

- (a) the amount of a financial benefit received by a director to which the director is not entitled;
- (b) an intentional infliction of harm to the Cooperative or the members;
- (c) a violation of Mont. Code Ann. § 35-14-832; or
- (d) an intentional violation of criminal law.

It is the intention of the members of this Cooperative to eliminate or limit the personal liability of the directors of this Cooperative to the greatest extent permitted under Montana law. If amendments to Montana law are passed after this section becomes effective which authorize cooperatives to act to further eliminate or limit the personal liability of directors, then the liabilities of the directors of this Cooperative shall be eliminated or limited to the greatest extent permitted by Montana law, as so amended. Any repeal or modification of this section by the

members of this Cooperative shall not adversely affect any right of or any protection available to a director of this Cooperative with respect to acts which occurred prior to the time of such repeal or modification.

**ARTICLE XI  
REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the Cooperative is 300 River Dr N, Great Falls, MT 59401, and the name of the initial registered agent at that office is WALTER SCHWEITZER.

**ARTICLE XII  
AMENDMENTS**

Any amendment of the Articles of Incorporation must be approved by a majority of the directors and then adopted by vote of a majority of those members voting at any regular meeting of the association or at a special meeting called for the purpose of amending the articles.

IN WITNESS WHEREOF, the following incorporators have executed these Articles of Incorporation as of this 5TH day of AUGUST, 2021.

\_\_\_\_\_  
**Jess Alger**

\_\_\_\_\_  
**Eric Bergman**

\_\_\_\_\_  
**Brett Debruycker**

\_\_\_\_\_  
**Paul Neubauer**

\_\_\_\_\_  
**Ben Peterson**

\_\_\_\_\_  
**Walter Schweitzer**

## CONSENT

The undersigned, a resident of the State of Montana, by his signature hereto, voluntarily consents to serve as the Registered Agent for the foregoing corporation effective upon the filing of the Articles of Incorporation with the Montana Secretary of State.

DATED: \_\_\_\_\_, 20\_\_\_\_.

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WALTER SCHWEITZER