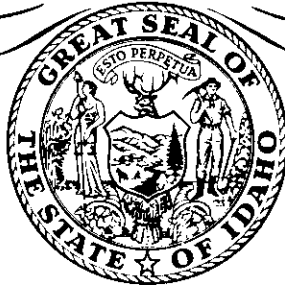


State of Idaho



Department of State

CERTIFICATE OF QUALIFICATION OF FOREIGN CORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that

FARMERS UNION GRAIN TERMINAL ASSOCIATION

a corporation duly organized and existing under the laws of **Minnesota** has fully complied with Section 10 Article XI of the Constitution, and with Sections 30-501 and 30-502, Idaho Code, by filing in this office on the **27th** day of **September** 19 **74**, a properly authenticated copy of its articles of incorporation, and on the **27th** day of **September** 19 **74**, a designation of **T.H. Eberle** or **R.B. Kading** or **J.R. Gillespie** the County of **Ada** as statutory agent for said corporation within the State of Idaho, upon whom process issued by authority of, or under any law of this State, may be served.

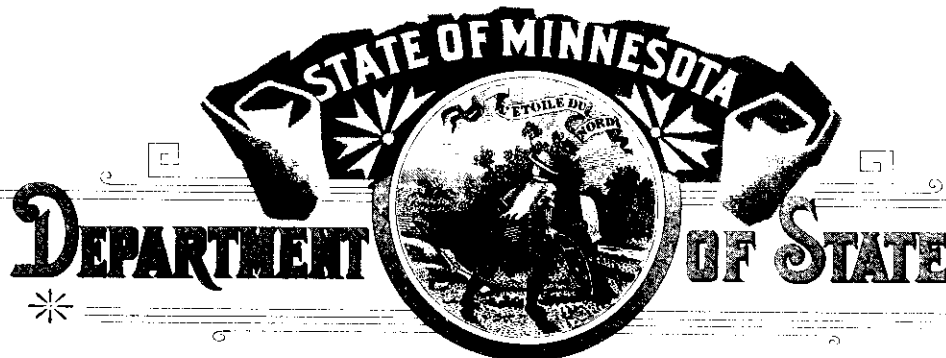
AND I FURTHER CERTIFY, That said corporation has complied with the laws of the State of Idaho, relating to corporations not created under the laws of the State, as contained in Chapter 5 of Title 30, Idaho Code, and is therefore duly and regularly qualified as a corporation in Idaho, having the same rights and privileges, and being subject to the same laws, as like domestic corporations.

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 **27th** day of **September**, A.D., 19**74**.

Pete T. Cenarrusa
Secretary of State

Corporation Clerk

UNITED STATES OF AMERICA.



I, Arlen I. Erdahl, Secretary of State of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original - instrument - in my office of

ARTICLES OF MERGER

OF

Great Plains Supply Company
Honeyhead Soybean Company and
Froedtert Malt Corporation

INTO

Farmers Union Grain Terminal Association

and

AMENDMENT

and that said copy is a true and correct transcript of said - instrument -

and of the whole thereof _____



IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol in St. Paul, this

dgy of A. D. 19
Arlen I. Erdahl
Secretary of State

ARTICLES OF MERGER
OF
GREAT PLAINS SUPPLY COMPANY,
HONEYMEAD SOYBEAN COMPANY AND
FROEDTERT MALT CORPORATION
INTO
FARMERS UNION GRAIN TERMINAL ASSOCIATION

These ARTICLES OF MERGER are executed as of June 1, 1971, by GREAT PLAINS SUPPLY COMPANY, HONEYMEAD SOYBEAN COMPANY and FROEDTERT MALT CORPORATION, the merging associations, and FARMERS UNION GRAIN TERMINAL ASSOCIATION, the surviving association.

A.
PLAN OF MERGER
OF
FARMERS UNION GRAIN TERMINAL ASSOCIATION
AND
GREAT PLAINS SUPPLY COMPANY,
HONEYMEAD SOYBEAN COMPANY, and
FROEDTERT MALT CORPORATION

Purpose of Plan

This PLAN OF MERGER is between Farmers Union Grain Terminal Association, of Falcon Heights, Minnesota (hereinafter called "GTA" or the "Surviving Corporation"), and the following organizations:

Great Plains Supply Company (hereinafter
called "Great Plains"),

Honeymead Soybean Company (hereinafter
called "Honeymead"), and
Froedtert Malt Corporation (hereinafter
called "Froedtert").

All of the above-named corporations are hereinafter sometimes referred to as
"the parties".

Each of the parties is a cooperative association incorporated under
the Statutes of Minnesota, Sections 308.05 to 308.18. The entry of each into
this Plan of Merger is pursuant to the authority of Section 308.15, Subdivision
4 of the Statutes of Minnesota.

Each of the parties is now engaged in the marketing of agricultural
products, the storing of agricultural products, the processing of agricultural
products and marketing of the resultant products, or the procurement of farm
supplies, building supplies and other goods used by farmers, related activities
of all kinds, or some combination of these activities. GTA is also the prin-
cipal patron of Froedtert, and Honeymead is a principal patron of GTA. GTA
and Great Plains have large numbers of patrons in common. The parties are
already under management which is closely coordinated. It is obvious to all
that efficiencies and savings can be achieved by their combining together in
one corporation. However, each of the parties other than GTA desires to be
merged into GTA, and GTA desires to complete the merger, whether or not the
other parties are merged into GTA.

NOW THEREFORE, the parties do hereby agree upon a plan of reorganiza-
tion whereby Great Plains, Honeymead and Froedtert shall be merged into GTA

in accordance with the following terms and conditions:

PLAN OF MERGER

ARTICLE I

1. The parties shall be merged into a single corporation in accordance with the laws of the State of Minnesota by Great Plains, Honeymead and Froedtert merging into GTA, which shall be the Surviving Corporation. The Articles of Incorporation of GTA shall be amended, as set forth in their entirety herein, Exhibit A, and the Bylaws of GTA shall also be amended, as set forth in their entirety herein, Exhibit B. The existence of GTA as a cooperative association shall continue unaffected and unimpaired by the merger, with all the rights, privileges, immunities and powers, and subject to all the duties and liabilities of a cooperative association organized under Section 308.05 to Section 308.18 of the laws of the State of Minnesota. Upon the completion of the merger the separate existence of Great Plains, Honeymead and Froedtert as separate cooperative associations shall thereupon cease.

This Plan of Merger is to be submitted for approval to the stockholders and members of each of the parties, as provided in Section 308.15 M.S.A. If GTA so approves the Plan, but one or two of the three parties other than GTA shall not approve the merger by vote of its or their members or stockholders, but the other parties or party do so approve, the parties or party so approving shall be merged into GTA in the manner hereinabove provided, and all the provisions in this Plan of Merger shall be effective as to GTA and as to the parties or party so approving.

ARTICLE II

It is the intent of this Agreement to effect a non-taxable reorganization of the constituent corporations in the form of a statutory merger, as that term is defined in Section 368 of the Internal Revenue Code (28 U.S.C.A. § 368) and the regulations issued thereunder. The Agreement contemplates a continuation of the objectives and purposes of the constituent corporations, in such manner that the Surviving Corporation shall be qualified as a farmers' cooperative association within the purview of the authority and powers granted to agricultural associations under the Capper-Volstead Act (7 USC §§ 291, 292).

ARTICLE III

Honeymead and Froedtert are membership cooperatives without capital stock but with one or more classes of equity interests held by members, principally representing their reinvestment in the cooperative of past patronage dividends. Great Plains is a stock cooperative having common stock and preferred stock outstanding. GTA is a membership cooperative without capital stock but with two or more classes of debt obligations. The equity interests and stock interests of Honeymead, Froedtert and Great Plains shall be converted into equity interests of GTA according to the following terms and conditions:

All equity interests and debt obligations now held by patrons or former patrons of GTA will retain the same status as they now have.

Honeymead.

Patronage refund credits and allocated capital reserves of Honeymead (all hereinafter collectively referred to as "Honeymead equities") held by GTA

or issuable to GTA, and all preferred capital certificates, capital equity certificates, and interests in the capital reserve of GTA (all collectively referred to hereinafter as "GTA equities") held by Honeymead or issuable to Honeymead shall be offset against the asset accounts of Honeymead and GTA respectively. Honeymead equities now held by all others than GTA or issuable to patrons of Honeymead other than GTA as of the date of merger, whether actually issued or not, shall be considered to have been exchanged for similar equities of GTA. That is, no physical exchange shall be made, but Honeymead patronage refund credits shall automatically be recognized as capital equity certificates of GTA, and interests in the allocated capital reserve of Honeymead shall automatically be recognized as interests in the allocated capital reserve of GTA.

Froedtert.

Interests in the preferred capital certificates and capital equity certificates (all hereinafter collectively referred to as "Froedtert equities") held by GTA, and all GTA equities held by Froedtert shall be offset against the asset accounts of Froedtert and GTA respectively. Froedtert equities now held by all others than GTA or issuable to patrons of Froedtert other than GTA as of the date of merger, whether actually issued or not, shall be considered to have been exchanged for capital equity certificates of GTA. That is, no physical exchange shall be made, but all such Froedtert equities shall automatically be recognized as capital equity certificates of GTA.

Great Plains.

Common stock, preferred stock, memberships, patronage refunds payable in common stock or preferred stock, and allocated capital reserves of Great Plains (all hereinafter collectively referred to as "Great Plains equities")

held by GTA or issuable to GTA, and all GTA equities held by Great Plains or issuable to Great Plains shall be offset against the asset accounts of Great Plains and GTA respectively. Great Plains equities now held by all others than GTA or issuable to patrons of Great Plains other than GTA as of the date of merger, whether actually issued or not, shall be considered to have been exchanged for similar equities of GTA. That is, no physical exchange shall be made, but Great Plains equities other than interests in the capital reserves shall automatically be recognized as capital equity certificates of GTA, and interests in the allocated capital reserve of Great Plains shall automatically be recognized as interests in the allocated capital reserve of GTA.

As the surviving association in this merger, GTA shall discharge the obligations of the other merged parties to distribute patronage dividends to patrons for the period ending May 31, 1971 or for other applicable periods. These distributions shall be made pursuant to the Articles of Incorporation and Bylaws of the respective merged parties as they existed prior to the merger.

ARTICLE IV

1. Except as is herein specifically provided, all assets, privileges, powers, franchises, rights and immunities of the constituent corporations, real, personal or mixed, as they exist when this agreement becomes effective, shall be retained by or pass to and be fully vested in GTA as the Surviving Corporation, as the case may be, without further act or deed; and the Surviving Corporation shall be responsible for all debts, liabilities, and obligations, including

obligations to all members and patrons of the constituent corporations. The Surviving Corporation shall record on its books and records the amounts of the equities of each member and patron, attributable to patronage, in the same amounts as their interests shall appear on the books of the constituent corporations on the effective date of the merger.

2. The constituent corporations agree that the amount of capital held by the Surviving Corporation after the merger which represents allocations of dividends to members or patrons for which certificates or letters of advice or shares of stock have been issued shall be payable (or redeemed) only in such manner and such time as may be authorized by the Board of Directors of the Surviving Corporation, in accordance with its Bylaws; provided however, that any plan of payment or redemption adopted shall result in an equitable redemption of such obligations to the members and patrons of each of the constituent corporations, so far as practically possible.

3. The Surviving Corporation shall assume any loan obligations of the constituent corporations to banks for cooperatives or any other lending institutions, which are outstanding as of the effective date of the merger, in accordance with any such loan agreements.

4. The merger shall not have the effect of terminating any existing employment contracts or pension plans for the benefit of employees of the merged corporations, nor shall it adversely affect the existing interests of such employees under such plans. The Surviving Corporation shall adopt and assume the obligations imposed by any existing pension plans for the benefit of the employees of the constituent corporations, subject to the same rights to amend or terminate such plans or any of them as the parties possess under the terms of such plans. Each of the constituent corporations

shall take such action with respect to such plans, before or after the closing date, as may be recommended by counsel in order to make this paragraph effective.

ARTICLE V

The Board of Directors of the Surviving Corporation on the effective date of the merger shall include all of the members of the Board of Directors of GTA, and each such director shall be entitled to serve until his term of office expires.

ARTICLE VI

The date of merger shall be June 1, 1971; provided, however, that with the prior concurrence of the Boards of Directors of GTA and of the other parties or party approving this Plan of Merger, the date of merger may be postponed once or successively, but for a total period not exceeding 90 days.

EXHIBIT A TO PLAN OF MERGER

AMENDED ARTICLES OF INCORPORATION OF FARMERS UNION GRAIN TERMINAL ASSOCIATION

The Articles of Incorporation of Farmers Union Grain Terminal Association are hereby amended to read as follows:

RESOLVED, that this Corporation, which is a cooperative Association

incorporated and operating under the provisions of Sections 308.05 to 308.18, Minnesota Statutes, as amended, does hereby amend its Articles of Incorporation in their entirety to read as follows:

ARTICLE I.

The name of this Association is "Farmers Union Grain Terminal Association".

ARTICLE II.

The purpose and nature of the Association is as follows:

Section 1. The purpose of this Association shall be to manufacture, process, market, purchase, handle, deal in and sell the agricultural products of its member patrons and non-member patrons, including, but without limiting, the processing and exporting of grain and other agricultural products, and to procure supplies and equipment and to perform any and all services for its member patrons and non-member patrons.

Section 2. The general nature of its business shall be to receive, purchase, store, handle, grade, process, manufacture, ship, sell and otherwise deal in and act as a commission merchant with reference to grain and any other farm products offered by its member patrons and non-member patrons and to purchase, manufacture, process, sell, store, handle, ship, distribute, and otherwise deal in and procure for its member patrons and non-member patrons any and all kinds of supplies and equipment, and to perform any and all services to and for its member patrons and non-member patrons.

To lend money and receive the obligations of others therefor, and to purchase the obligations of others, whether such loans or such purchased obligations are secured or unsecured.

To purchase, acquire, own, mortgage, pledge, sell, assign, transfer, or otherwise dispose of, shares of the capital stock of, or bonds, securities, or other evidences of indebtedness created by any other corporation or corporations wherever organized, with all the rights, powers and privileges of ownership thereof.

To borrow money, to incur obligations and to assume obligations of any other person, individual, or corporation, in any amount and to make contracts of hire.

To have one or more offices, and to conduct any or all of its operations and business, and to promote its objects within and without the State of Minnesota, without restriction as to places or amounts.

To carry on any other business in connection with the foregoing and to engage in any of said activities on its own account or as agent for others, or alone or in association with others; to employ agents, consultants, and nominees to perform any or all of the powers herein enumerated.

Generally to enjoy all of the rights, privileges, and powers necessary, incidental, or convenient to the operation and conduct of its business.

The objects specified herein shall, except where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any other clause or paragraph of these Articles of Incorporation. The foregoing shall be construed both as objects and powers, and the enumerations thereof shall not be held to limit or restrict in any manner the general powers conferred upon this Association by the laws of the State of Minnesota.

Section 3. The principal place of business of this Association shall be in the Village of Falcon Heights, in the County of Ramsey, in the State of Minnesota.

Section 4. Limitation. The Association shall not at any time market the products of non-members to an amount greater in value than such as are handled by it for members, and shall not purchase supplies and equipment or furnish services for non-members in an amount the value of which exceeds the value of the supplies and equipment purchased for members. All business transacted by this Association 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 this Association.

ARTICLE III.

(Period of Corporate Existence)

The corporate existence of this Association shall be perpetual.

ARTICLE IV.

(Membership)

Section 1. Membership. This Association shall be a cooperative association without capital stock, but composed of members; it may issue Preferred Capital Certificates, Capital Equity Certificates, Certificates of Indebtedness, or similar securities of undesignated or designated separate series, on a patronage basis or otherwise, as may be provided in the Bylaws, but no such security or securities shall entitle the holders thereof to any vote or other participation in the affairs of the Association.

Section 2. Eligibility. Membership in this Association may be held only by individuals who are producers of agricultural products and by cooperatives or like associations, substantially all of whose voting members are either (a) producers of agricultural products marketed through this Association

or producers of agricultural products who purchase supplies handled by this Association, or (b) other cooperatives of such producers, or (c) both such producers and such other associations. "Producer" shall mean and include only persons who actually are engaged in the production of agricultural products, including tenants of land used for the production of any such product, and lessors of such land who receive as rent therefor a part of the product of such land. The Bylaws of this Association may further restrict membership in this Association, by said cooperative or like associations, to such associations transacting a minimum amount of business with or through this Association. Provided, however, that the category of individuals who are producers of agricultural products shall be enlarged to include corporations which are engaged in the production of agricultural products, under an appropriate provision of the Bylaws of this Association which shall limit such corporations to corporations owned or controlled by individual farmers or their family groups.

Section 3. Dissolution. In the event of any liquidation, dissolution, or winding up of the affairs of this Association, whether voluntary or involuntary, no member shall receive any of the assets of this Association solely by reason of his or its membership herein. All assets shall be applied first to payment of claims of creditors in full, second to payment in full of all Preferred Capital Certificates, plus accrued interest, and plus any premium for redemption which has been provided for on the face of the Preferred Capital Certificates by action of the Board of Directors, third to payment in full of all Capital Equity Certificates; thereafter all reserves not previously disbursed, withdrawn or diminished by losses shall be distributed to the patrons who contributed and owned the same in proportion to their contributions; all assets, if any, remaining after all such payments shall belong to and be

distributed to the member patrons in proportion to their patronage.

Section 4. Voting Power. Each individual member shall have one (1) vote in the affairs of the Association. Each member cooperative or like association shall have a minimum of one (1) vote; in addition to a minimum of one (1) vote, each member cooperative or like association may have an additional vote or votes according to the number of its members or patrons or volume of business done by it with this Association, or any combination thereof, as may be provided in the Bylaws.

ARTICLE V.

(Savings)

Section 1. The net savings (net income) of this Association in excess of dividends and additions to reserves shall be distributed on the basis of patronage as provided in the Bylaws and the records of the Association may show the interests of members in the reserves.

Section 2. The determination of total net savings (net income) may be made by divisions representing separate or different operations of the Association, upon such basis as shall be determined to be equitable by the Board of Directors.

ARTICLE VI.

(Board of Directors - Annual Meeting)

Section 1. Board of Directors.

(a) The government of this Association and the management of its affairs shall be vested in a Board of thirteen (13) directors, who shall be elected by the members of this Association from the members of the affiliated

associations and patrons' associations of this Association (as defined in the Bylaws), who are currently producer-patrons, for such terms as the Bylaws may prescribe, at the Annual Meetings of the members of this Association. No employee of this Association or of an affiliated association (as defined in the Bylaws) shall be eligible to be a director of this Association.

(b) The Board of Directors shall always be composed of three persons who are residents of the State of Minnesota, three persons who are residents of the State of Montana, five persons who are residents of the State of North Dakota, and two persons who are residents of the State of South Dakota.

Section 2. Annual Meeting. The Annual Meeting of the members of this Association shall be held annually at such time as may be determined by the Board of Directors of this Association. The place shall be determined by the Board of Directors as provided by law.

ARTICLE VII.

(Amendments)

Section 1. These Articles of Incorporation may be amended as provided by law.

EXHIBIT B TO PLAN OF MERGER

BYLAWS OF FARMERS UNION GRAIN TERMINAL ASSOCIATION

ARTICLE I.

(Annual and Special Meetings)

Section 1. The Annual Meeting of this Association shall be held at the time and place specified in the Articles of Incorporation. Special Meetings may be called by a majority vote of the directors or upon the written petition of at least ten per centum (10%) of the members.

Section 2. Notices of Meetings shall be given in compliance with law. To the extent not required by law, the following additional notices may also be given:

(a) Official Notice of Annual and Special Meetings of this Association may be sent by regular mail to each affiliated association (as elsewhere defined in these Bylaws); unofficial notice may be sent by regular mail to the delegates (and alternates) of each such association who were last previously designated by such affiliated association in writing to this Association.

(b) Official notice of Annual and Special Meetings of this Association may be sent by regular mail to each delegate (and alternate) of each patrons' association (as elsewhere defined in these Bylaws) who were last previously designated by such patrons' association in writing to this Association; unofficial notice may be sent by regular mail to the manager of the elevator, feed mill, lumber yard, or other facility of this Association to which each such patrons' association is related, with directions to post a copy of such unofficial notice in a conspicuous place for the benefit of member patrons.

Section 3. Voting Power. The voting power of the members of this Association shall be exercised as follows:

(a) Each affiliated association shall be entitled to one (1) vote for each currently active patron (as hereinafter defined); provided, however, that in

any event each such association shall be entitled to a minimum of two hundred (200) votes and a maximum of two thousand (2,000) votes. Such votes shall be cast by its delegates, as hereinafter provided.

(b) Each individual member patron who patronizes this Association through a line elevator, a feed mill, lumber yard, or any other facility owned by this Association, may have one (1) vote; provided, however, that except as such member patron shall cast his vote in person at an Annual or Special Meeting, or by mail when a mail ballot has been provided for, such individual members shall be grouped in local units heretofore referred to as "patrons' associations" and identified with such facility. An individual member patron who may desire to exercise his vote hereunder shall be entitled to do so only after obtaining a certificate on a form provided by this Association and signed by the manager of the line elevator, feed mill, lumber yard or other facility patronized by him, certifying that he is a member of this Association; such certificate shall be sent to this Association by the said member or the said manager ten (10) days or more before the Annual or Special Meeting concerned, provided that in the discretion of the Credentials Committee such certificates received thereafter may also be honored.

Each such patrons' association shall be entitled to be represented at any and all members' meetings of this Association by delegates of their own choosing, and such delegates shall exercise the same powers at such members' meetings as any affiliated association may exercise, on the basis of the voting rights hereinabove provided. That is to say, each such patrons' association shall be entitled to one vote for each currently active patron (as hereinafter defined), plus any currently active patron who chooses to cast his vote personally (as hereinbefore provided); provided, however, that in any event each such patrons' association shall be entitled to a minimum of two hundred (200) votes and a maximum of two thousand (2,000)

votes. Such votes shall be cast by its delegates, as hereinafter provided.

(c) The number of votes to which any affiliated association is entitled shall be finally determined by applying to the number of votes resulting from the application of the foregoing provisions that proportion which the agricultural products (the marketing of which it controls) which it has marketed through this Association bears to the total agricultural products (the marketing of which it controls) which it has marketed during the period in question; provided, that in any event each affiliated association shall be entitled to a minimum of two hundred (200) votes and a maximum of two thousand (2,000) votes.

(d) The calculations hereinabove provided shall be based upon the number of currently active patrons and upon the products marketed or supplies procured during the fiscal year of each affiliated association coinciding with or last preceding the close of the fiscal year of this Association immediately prior to the date of the meeting of this Association in question (whether Annual or Special Meeting).

(e) As used in these Bylaws, the following terms shall have the meanings indicated:

(i) Currently Active Patrons. Those patrons who are agricultural producers or cooperative associations whose members are such producers, or other cooperative associations of such producers, or both such producers and such other associations during the year for which the currently active patrons are being determined; in addition, persons and cooperative associations who are otherwise eligible hereunder, may be required to patronize either the affiliated association (as hereinafter defined) or this Association in a certain specified minimum of volume, as may be fixed from time to time by the Board of Directors of this Association, in order to qualify for the purpose of this definition and for the purpose of these Bylaws, as

currently active patrons. "Agricultural producers", as used herein, shall mean and include only persons who are actually engaged in the production of agricultural products, including tenants of land used for the production of any such product, and lessors of such land who receive as rent therefor a part of the product of such land.

(ii) Affiliated Association. An affiliated association, as used in these Bylaws, shall be a cooperative corporation which markets at least ten per centum (10%) of the agricultural products, the marketing of which it controls, through this Association; or a cooperative corporation engaged primarily in the supply of items used in agricultural production, and which purchases the major portion of such supplies or products from this Association.

(iii) Patrons' Association. A patrons' association, as used herein, is an association of the individual patrons of a grain elevator, a feed mill (including related operations, as designated by this Association), or a seed plant (including related operations, as designated by this Association), a lumber yard or any other facility owned by this Association which shall be so designated by this Association (including in such patrons the so-called "direct shippers", which, for this purpose, may be assigned by this Association to that elevator, feed mill, lumber yard, or other facility of this Association deemed most appropriate).

(iv) Individual Patron. Individual patron, as used herein, shall include not only individuals, but also any corporation which shall be determined to be a corporation owned or controlled by an individual or family group and which is primarily operating a unitary farming enterprise. Such corporation shall be treated as an individual patron and as an individual member for voting purposes; its vote in such case may be cast by any individual officer of the

corporation, and the credentials committee or other appropriate body of this Association shall determine all questions relating to its eligibility and its manner of voting.

Section 4. Manner of Voting. The votes hereinabove provided for shall be cast in the following manner:

(a) At the Annual or Special Meetings of this Association, each individual member shall be entitled to cast his own vote in person; each other holder of votes (affiliated association or patrons' association) shall be entitled to cast its votes only through its duly selected delegates (or their duly selected alternates), except as otherwise herein provided in the case of mail votes; and it shall be entitled to have present and voting a total number of delegates (or their alternates) equal to one delegate for each two hundred (200) votes it holds, calculated as hereinabove provided. Each delegate, or his alternate, shall be entitled to cast only two hundred (200) votes in any of the affairs of the said Annual or Special Meetings (other than items where a mail vote has been provided for). In the calculation of the number of delegates to which an affiliated cooperative association or patrons' association is entitled, there shall be one delegate for each two hundred (200) currently active patrons (as hereinafter defined) or major fraction of two hundred (200), and each delegate shall be entitled to cast two hundred (200) votes; provided, however, that in addition to said votes cast by the delegates there shall be counted the votes of those individual members registered in person, in all proceedings of said meeting; provided further, that no individual shall serve as a delegate or alternate for more than one affiliated association or patron's association.

(b) There shall be no mail voting at either the Annual or any Special Meeting of this Association, except in cases where, in the notice of said meeting, the Board of Directors of this Association shall have submitted a specific issue or

issues for a mail vote. In such case, the said notice may provide that the mail vote as cast by each affiliated association or patrons' association shall be binding upon the association so voting as to the issue or issues so submitted, and in such case the vote cast by any association voting by mail shall be binding upon it and its delegates (if any) and alternates (if any) attending the said meeting; delegates (or alternates) of affiliated associations and patrons' associations which have not cast a vote by mail upon said issue or issues shall cast the vote or votes of their respective associations upon said issue or issues in the manner prescribed by the Chairman of said meeting. No combination of mail voting and voting in person by delegates of the same association upon an issue or issues submitted for mail vote shall be permitted, and an attempt by any association to do so shall be treated as having the effect of not voting. Nothing in this section shall, however, prevent an Annual or Special Meeting of this Association from considering and acting upon issues in addition to those submitted for mail vote, to the extent permitted by law; and such issues shall be voted upon by delegates (and alternates) in the manner hereinabove provided for other than mail votes.

(c) The mail vote cast by each affiliated association shall be determined by the Board of Directors of each said affiliated association, unless specified otherwise by the Board of Directors of this Association in the notice of the meeting of this Association which provides for said mail votes. The ballot used by each such association to cast its vote shall contain the certificate of the secretary or the president of said association (1) that the vote shown thereon is so cast by the direction of said association's Board of Directors, and (2) stating the number of votes which said association is then entitled to cast, according to other provisions of this Article (with such supporting information therefor as may be prescribed by this Association).

(d) The mail vote cast by each patrons' association shall be determined by the delegate or delegates last previously designated by each such association (and whose identity has been so previously stated in writing to this Association by such persons and in such manner as may be prescribed by this Association), including therein the alternate of any delegate who has since died or is unable to act at the time of such mail vote. The ballot used by each such association to cast its vote shall contain the certificate of the delegate or delegates (1) that the vote shown thereon is so cast, and (2) stating the number of votes which said association is then entitled to cast, according to other provisions of this Article (with such supporting information therefor as may be prescribed by this Association).

(e) The mail vote cast by each individual member of this Association shall be on such form of ballot as may be prescribed by the Board of Directors of this Association, and shall include the certificate that he is a member of this Association provided for in Section 3(b) of this Article.

Section 5. Quorum and Registration.

(a) A quorum necessary to the transaction of business at any Annual or Special Meeting of this Association shall be at least ten per centum (10%) of the total number of members in this Association represented in person by delegates (or alternates) or by mail votes when the members do not exceed five hundred (500) in number. If the members of this Association exceed five hundred (500) in number, fifty (50) members of this Association represented in person by delegates (or alternates) or by mail votes shall constitute a quorum. In determining a quorum at any meeting, on a question submitted to a vote by mail, as hereinabove provided, members represented in person by delegates (or alternates) or represented by mail vote shall be counted. The fact of the attendance of a sufficient number of members to constitute a quorum shall be established by a registration of the members of this Association

present at such meeting, which registration shall be verified by the Chairman, President and Secretary of this Association and shall be reported in the minutes of the meeting.

(b) Registration of individual members and of delegates (and/or alternates) shall close at such hour on the day for which an Annual or Special Meeting is called (or in case it is called for a series of days, at such hour on the first day thereof) as the Board shall determine and specify in the Notice of Meeting, or at such later time to which the close of registration may be extended by majority vote of those registered before said initial time for closing of registration. Persons otherwise eligible to vote, either as individual members or as delegates or alternates, but not registered as in attendance at or before said time (original or as extended), shall have no right to vote in any of the affairs of the meeting (including, but not limited to, election of Directors).

(c) Each affiliated association and patrons' association shall certify its delegates and alternates to this Association, in the manner prescribed by this Association, at least thirty (30) days before each Annual Meeting of this Association, and at least three (3) days before each Special Meeting; provided that in the discretion of the Credentials Committee such certificates received thereafter may also be honored. The delegates and alternates so certified, and found by this Association to be eligible to be seated at the meeting or meetings of this Association, shall represent their affiliated associations or patrons' associations, as the case may be, to the extent and in the manner provided in this Article. In matters of which advance notice has been given, such delegates and alternates shall endeavor to inform themselves as to the views of the membership of the association which they represent.

(d) A delegate or alternate elected or appointed as above provided, and certified to this Association in the manner prescribed by this Association, shall

hold office and shall represent his association at meetings of this Association to the extent and in the manner prescribed in this Article until his successor is elected and qualified, but in any event no such certificate of election as delegate shall be valid for more than two years; provided, further, that any delegate or alternate shall cease to be such if he ceases to be an agricultural producer doing business with his affiliated association (or in the case of delegates or alternates of patrons' associations, if he ceases to be an agricultural producer doing business with this Association).

(e) No employee of an affiliated association, nor any employee of this Association, shall serve as a delegate or alternate to any meeting of this Association; if any such persons shall be certified as such a delegate or alternate, he shall nevertheless not be seated as such.

(f) A cooperative association which has business transactions with this Association but which does not qualify as an affiliated association, as defined in these Bylaws, shall not be entitled to have a voting delegate or alternate at any meeting of this Association, but it may have present a "non-voting delegate", who shall be entitled to be present at the meetings, but not to vote, and shall only be recognized to speak at the discretion of the Chairman of the meeting.

(g) Nothing herein shall prevent individual patrons of this Association or of affiliated associations, who are not delegates to the Annual Meetings or Special Meetings of this Association from serving as a chairman of a state meeting or as a chairman or member of a committee.

(h) Each member of the Board of Directors of this Association shall have the right to speak on any subject during Annual or Special Meetings of this Association.

ARTICLE II.

(Board of Directors)

Section 1. Election of Directors.

(a) At each Annual Meeting of the members, the directors shall be elected for terms of three (3) years and until their respective successors are elected and qualified.

(b) The Board of Directors shall always be composed of three persons who are residents of the State of Minnesota, three persons who are residents of the State of Montana, five persons who are residents of the State of North Dakota, and two persons who are residents of the State of South Dakota. All directors shall serve for a term of three years and until their respective successors are elected and qualified. Provided, however, that a director must be a farmer and active patron of this Association, or an affiliated association, for a period of not less than five (5) fiscal years prior to his nomination and also be less than seventy (70) years of age at the time of his nomination.

(c) At each Annual Meeting the Directors of this Association to be elected shall be elected in the following manner: The individual members, delegates and alternates from each state shall meet separately, and at each such state meeting the Director or Directors of this Association then to be elected shall be elected by the majority of the votes then entitled to be cast. Each such state election shall be binding upon the Annual Meeting and upon this Association, without any ratification or right of rescission or veto by individual members or delegates or alternates, or any combination thereof, of other states. The Chairman of each such state meeting shall be selected by the Chairman of this Association.

Section 2. Election of Officers. Promptly following each Annual Meeting the

Board of Directors shall elect from its membership a Chairman, one or more Vice Chairmen, a Secretary and a Treasurer; it shall also elect a President and one or more Vice Presidents who may be, but need not be, members of the Board. The offices of Secretary and Treasurer may be held by the same person and, when so held, shall be termed Secretary-Treasurer. The Board of Directors may appoint such other officers as it shall deem necessary who shall have such titles, powers, and duties as the Board may prescribe; this shall include, but not be limited to, Presidents and Vice Presidents of "divisions" of the Associations.

Section 3. A quorum shall consist of a majority of the directors. A majority vote of the directors present shall decide all questions except where a greater vote is expressly required by the Articles of Incorporation or Bylaws of this Association or statute.

Section 4. Each vacancy occurring on the Board of Directors may be filled by the remaining directors until the next Annual Meeting of the members when the members shall elect a director to serve for the unexpired term, provided that vacancies on the Board created by any amendment of the Articles of Incorporation or Bylaws shall first be filled at the Annual Meeting of the members next following the adoption of such amendment unless otherwise provided in the amendment.

Section 5. Meetings. The Board of Directors shall meet regularly at such times and places as the Board may determine. Special meetings may be called by the Chairman or any three directors. All meetings shall be held on such notice as the Board may prescribe; provided that any business may be transacted at any meeting without specification of such business in the notice of such meeting.

Section 6. Bonds. The Board shall require each officer, agent, and employee having control or custody of any of this Association's funds or property to give bond for the faithful performance of his duties. The cost thereof shall be borne by this Association.

Section 7. Audits. The Board shall have the books of this Association audited at least once each fiscal year. A summary report of such audit shall be made at the Annual

Meeting of the members next following said audit.

Section 8. Borrowings. The Board of Directors shall have power to authorize and approve the borrowings of money and the pledging and mortgaging of any or all of the assets of this Association as security for the sums so borrowed.

Section 9. Indemnification.

(a) General. Every person (and the heirs and legal representatives of such person) who is or was a director or officer or employee of this Association, or of any other Association which he serves or served as such at the request of this Association, and which was related to this Association, may, in accordance with paragraph (b), be indemnified by this Association against any and all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, action, suit, or other proceeding, civil, criminal, administrative, or investigative (including any appeal relating thereto) in which he may become involved as a party or otherwise, by reason of his position with this Association, whether he occupies such position at the time such liability or expense is incurred or not. Provided: (1) in the case of a claim, action, suit or other proceeding brought by or in the right of the Association to procure a judgment in its favor, that such person has not been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association; and (2) in the case of a claim, action, suit, or other proceeding not covered by clause (1), such person acted in good faith for a purpose which he reasonably believed to be in the best interests of the Association or such other association as the case may be, and, in addition, in any criminal action or proceeding had no reasonable cause to believe that his conduct was unlawful. Indemnification pursuant to this Section 9, however, shall (i) not include any amount payable by such person to the Association in satisfaction of any judgment or settlement, and (ii) be reduced by the amount of any other indemnification or reimbursement of such person in respect of the liability and expense

with respect to which indemnification is claimed. As used in this Section 9, the terms 'liability' and 'expense' shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by, such person. The termination of any claim, action, suit or other proceeding, by judgment, order, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that such person did not meet the standards of conduct set forth in this paragraph.

(b) Determination of Entitlement to Indemnification. Every person (and the heirs and legal representatives of such person) referred to in paragraph (a) of this Section 9 who has been wholly successful, on the merits, with respect to any claim, action, suit, or other proceeding of the character described in said paragraph (a) shall be entitled to indemnification as provided in said paragraph (a) as of right. Except as provided in the preceding sentence, any indemnification under said paragraph (a) shall be made at the discretion of the Association, but only if either (1) the Board of Directors, acting by a quorum consisting of directors who are not parties to (or who have been wholly successful with respect to) such claim, action, suit, or other proceeding, shall find that such person has met the standards of conduct set forth in said paragraph (a), or (2) independent legal counsel (who may be regular counsel of the Association) shall deliver to the Association their written advice that, in their opinion, such person has met such standard.

(c) Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or other proceeding of the character described in paragraph (a) may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that he is entitled to indemnification under this Section 9.

(d) Rights Not Exclusive. The rights of indemnification provided in this Section 9 shall be in addition to any rights to which any person (or the heirs or legal representatives of such person) referred to in paragraph (a) may otherwise be entitled by contract or as a matter of law and shall be available whether or not the claim asserted against such person is based on matters which antedate the adoption of this Section 9.

(e) Insurance. The officers and directors of this Association are hereby authorized to purchase such insurance as they may deem appropriate to insure this Association against losses or expenditures it might have in making indemnification as provided in this Section 9.

ARTICLE III.

(Officers)

Section 1. Chairman of the Board of Directors. The Chairman of the Board of Directors (elsewhere referred to in these Bylaws as "Chairman") shall preside at all meetings of the members and the Board of Directors. Except where the signature of the president is required, the Chairman shall possess the same power as the President to sign all certificates, contracts, and other instruments of the corporation which may be authorized by the Board of Directors.

Section 2. President. The President shall be the chief executive officer of the corporation. He shall have general supervision of the affairs of the corporation, shall sign or countersign all certificates, contracts or other instruments of the corporation as authorized by the Board of Directors, shall make reports to the Board of Directors and members, and shall perform such other duties as are incident to his office or are properly required of him by the Board of Directors.

Section 3. Vice Chairmen. In the absence or disability of the Chairman, the

Vice Chairmen, in the order designated by the Board of Directors, shall perform the duties and exercise the powers of the Chairman. Each Vice Chairman shall have such other duties as are assigned to him from time to time by the Board of Directors.

Section 4. Vice Presidents. In the absence or disability of the President, the Vice Presidents in the order designated by the Board of Directors, shall perform the duties and exercise the powers of the President. Each Vice President shall have such other duties as are assigned to him from time to time by the President.

Section 5. The Secretary shall keep complete minutes of each meeting of the members and of the Board of Directors, and shall sign with Chairman or the President all notes, conveyances and encumbrances of real estate, capital securities, and instruments requiring the corporate seal; provided that the Secretary, in writing, may authorize any other officer or employee to execute or sign the Secretary's name to any or all such instruments. He shall keep a record of all business of this Association, prepare and submit to the Annual Meeting of the members a report of the previous fiscal year's business, and give all notices as required by law. He shall perform such other duties as may be required of him by the Board of Directors. The Board of Directors may delegate, or authorize the Secretary to delegate, to any other officer or employee, under the supervision of the Secretary, all or any of the duties enumerated in this section.

Section 6. The Treasurer shall supervise the safekeeping of all funds and property of this Association, supervise the books and records of all financial transactions of this Association, and perform such other duties as may be required of him by the Board of Directors. The Board of Directors may delegate, or authorize the Treasurer to delegate, to any other officer or employee, under the supervision of the Treasurer, all or any of the duties enumerated in this section.

Section 7. Assistant Secretary. The Assistant Secretary or Assistant Secretaries shall perform such duties as may be assigned to him or them by the Board of Directors, the

Chairman, President or the Secretary. In the absence or disability of the Secretary, or in the event of a vacancy in that office, the Assistant Secretary shall perform the duties of the Secretary, or if there are two or more Assistant Secretaries, the Chairman shall designate the order in which they shall act in place of the Secretary.

Section 8. Assistant Treasurer. The Assistant Treasurer or Assistant Treasurers shall perform such duties as may be assigned to him or them by the Board of Directors, the Chairman, the President, or the Treasurer. In the absence or disability of the Treasurer, or in the event of a vacancy in that office, the Assistant Treasurer shall perform the duties of the Treasurer; or if there are two or more Assistant Treasurers, the Chairman shall designate the order in which they shall act in place of the Treasurer.

ARTICLE IV.

(Membership)

Section 1. Members. This Association shall be a membership cooperative, without capital stock. Members shall be individuals who are producers of agricultural products, and affiliated cooperative associations, hereinafter referred to as "affiliated associations" (as hereinabove defined). All individuals, and cooperative associations which are eligible for membership and which have transacted business with this Association during the portion of the current fiscal year prior to the adoption of this Bylaw shall, on the date of adoption of this Bylaw, be automatically members of this Association (whether previously members or not). In every case following adoption of this Bylaw where an eligible individual or association not already a member shall receive a written notification and copy of the Bylaw providing for consent to take patronage allocations into income, and shall enter into a business transaction with this Association, he or it shall (unless he or this Association expressly states otherwise) thereby applies for membership and forthwith become a member of this Association, and entitled to all the rights and privileges and subject to

the obligations and limitations contained in these Bylaws. "Individual" as used herein, shall include not only individuals, but also any corporation which shall be determined to be a corporation owned or controlled by an individual or family group and which is primarily operating a unitary farming enterprise. Such corporation shall be treated as an individual patron and as an individual member for voting purposes; its vote in such case may be cast by any individual officer of the corporation, and the credentials committee or other appropriate body of this Association shall determine all questions relating to its eligibility and its manner of voting.

Section 2. Rights of Patrons. Each business transaction between this Association and each patron shall be subject to and shall include as a part of its terms each provision of the Articles of Incorporation and Bylaws of this Association, whether the same be expressly referred to in said transaction or not. Upon delivering or selling or contracting to deliver or sell any agricultural products to this Association, or upon receiving or buying or contracting to receive or buy any supplies or equipment or services from this Association, each patron so delivering, selling, receiving, buying, or contracting, as the case may be, shall be entitled to such savings and other rights and benefits as said Articles and Bylaws provide, and each such patron shall thereby request and authorize this Association to pay, for and on behalf of such patron, to such persons as this Association may designate, for the purpose of promoting and encouraging cooperative organization, the sum hereinafter authorized to be deducted from gross receipts for said purposes.

Section 3. Redemption of Patrons' Equities. If and when any patron or former patron of this Association shall either:

(a) Cease to be eligible for membership as set forth in the Articles of Incorporation; or

(b) Fail to patronize this Association (either directly or through an affiliated association) for a period of twelve (12) consecutive months or more; or

- (c) Remove from the territory served by this Association; or
- (d) Break any contract with this Association; or
- (e) Intentionally or repeatedly violate any Bylaw of this Association; or
- (f) Wilfully obstruct any lawful purpose or activity of this Association; or
- (g) Shall remain indebted to this Association for thirty (30) days after such indebtedness first became payable; or
- (h) Die or cease to be an agricultural producer (or in the case of a cooperative association, cease to be a bona fide association of agricultural producers);

then, in any such event, the Board of Directors, in its sole discretion, may refund to such patron (or his or its legal representative) all or part of his or its patron's equities, as shown on the records of this Association, less any indebtedness of such patron to this Association.

Provided, however, that the patron shall have no right to offset against any indebtedness he or it may have to this Association the amount of his or its patrons' equities; but such offset, if there be any, shall be entirely at the option and discretion of the Board of Directors. Provided, further, that at times other than the termination of a patrons' membership, the Board of Directors may, in its sole discretion, apply to any indebtedness of a patron owing to this Association the amount of all or a part of such patron's equities, as shown on the records of this Association, but this provision shall confer no obligation upon the Board of Directors so to do, nor any right upon the patron to compel or insist upon such offset.

Section 4. Transfer of Patrons' Equities. Patrons equities held by any patron or former patron may be transferred only with the consent and approval of the Board of

Directors, and by such instrument of transfer as may be required or approved by this Association.

ARTICLE V.

(Patronage Refunds)

Section 1. Member Patronage.

(a) Gross Receipts from Member Patronage. Gross receipts of the association from member patronage shall be all proceeds (including patronage dividends received) from the sale of products marketed for member patrons, all sums received for supplies, equipment, commodities, and other property procured for member patrons, and all sums received (including patronage dividends received) for services performed for member patrons

Those gross receipts which by their nature reduce the costs and expenses incurred in connection with member patronage shall be used to reduce the deductions from gross receipts enumerated in Section 1(b) of this Article.

(b) Deductions from Gross Receipts from Member Patronage. The association shall deduct from gross receipts from member patronage:

(1) all amounts paid for products marketed, and all necessary manufacturing, processing and marketing expenses attributable to member patronage;

(2) the actual cost of supplies, commodities, equipment and other property procured for member patrons;

(3) the actual cost of services performed for member patrons;

(4) taxes, other than taxes based on income, attributable to member patronage;

(5) that portion attributable to member patronage of reasonable and necessary additions to reserves for depreciation, for depletion, for obsolescence of physical property, for doubtful accounts and for other valuation reserves, all

established and computed in accordance with generally accepted accounting principles;

(6) all other necessary expenses attributable to member patronage, not including interest (dividends) on preferred capital certificates or other securities deemed to be capital rather than indebtedness, nor amounts set aside for promoting and encouraging cooperative organization;

(7) to the extent that the amount available from receipts from non-member marketing patronage and sources other than patronage (as described in Section 3 of this Article), plus the amount available from receipts from non-member patronage of purchasing operations (as described in Section 2 of this Article), is not sufficient for payment of income taxes, then such additional sum as shall be necessary for payment of income tax obligations of the Association; and

(8) a sum equal to five per centum (5%) of the gross receipts from member patronage remaining after deduction of all of the foregoing, which sum shall be used for the purpose of promoting and encouraging cooperative organization.

(c) Annual Net Savings from Member Patronage. The amount remaining after reducing the gross receipts from member patronage by the deductions specified in section 1(b) of this Article shall constitute the annual net savings (net income) from member patronage.

Section 2. Non-Member Patronage-Purchasing.

(a) Gross Receipts from Non-Member Patronage of Purchasing Operations. Gross receipts of the association from non-member patronage of purchasing operations shall be all proceeds (including patronage dividends received) for supplies, equipment, commodities and other property procured for non-member patrons, and all sums received (including patronage dividends received) for services performed for non-member patrons.

Those gross receipts which by their nature reduce the costs and expenses

incurred in connection with such patronage shall be used to reduce the deductions from gross receipts enumerated in Section 2(b) of this Article.

(b) Deductions from Gross Receipts from Non-Member Patronage-Purchasing. The association shall deduct from gross receipts from non-member patronage of purchasing operations:

(1) the actual cost of supplies, commodities, equipment and other property procured for non-member patrons;

(2) the actual cost of services performed for non-member patrons;

(3) taxes, other than taxes based on income, attributable to non-member patronage of purchasing operations;

(4) that portion attributable to non-member patronage of purchasing operations of reasonable and necessary additions to reserves for depreciation, for depletion, for obsolescence of physical property, for doubtful accounts and for other valuation reserves, all established and computed in accordance with generally accepted accounting principles;

(5) all other necessary expenses attributable to non-member patronage of purchasing operations, not including interest (dividends) on preferred capital certificates or other securities deemed to be capital rather than indebtedness, nor amounts set aside for promoting and encouraging cooperative organization;

(6) to the extent that the amount available from receipts from non-member marketing patronage and sources other than patronage (as described in Section 3 of this Article) is not sufficient for payment of income taxes, then such additional sum as shall be necessary for payments of income tax obligations of the Association; and

(7) a sum equal to five per centum (5%) of the gross receipts from

non-member patronage of purchasing operations remaining after deduction of all of the foregoing, which sum shall be used for the purpose of promoting and encouraging cooperative organization.

(c) Annual Net Savings from Non-Member Patronage of Purchasing Operations.

The amount remaining after reducing the gross receipts from non-member patronage of purchasing operations by the deductions specified in Section 2(b) of this Article shall constitute the annual net savings (net income) from non-member patronage of purchasing operations.

Section 3. Non-Member Patronage-Marketing; Non-Patronage Sources.

(a) Gross Receipts from Non-Member Patronage of Marketing Operations and from Sources Other Than Patronage. Gross receipts of the association from non-member patronage of marketing operations and from all sources other than those described in Sections 1(a) and 2(a) of this Article shall constitute gross receipts from non-member patronage of marketing operations and sources other than patronage. They shall be subject to the deductions therefrom hereinafter provided, and any net amount thereof shall be held or used for the purposes and in the manner hereinafter provided.

Those gross receipts which by their nature reduce the costs and expenses incurred in connection with non-member patronage of marketing operations and business derived from all sources other than those described in Sections 1(a) and 2(a) of this Article shall be used to reduce the deductions from gross receipts enumerated in Section 3(b) of this Article.

(b) Deductions from Gross Receipts from Non-Member Patronage of Marketing Operations and Sources Other Than Patronage. The Association shall deduct from gross receipts from non-member patronage of marketing operations and sources other than patronage:

- (1) all amounts paid for products marketed and all necessary

manufacturing, processing and marketing expenses attributable to non-member patronage of marketing operations and sources other than patronage;

(2) taxes, other than taxes based on income, attributable to non-member patronage of marketing operations and sources other than patronage.

(3) that portion attributable to non-member patronage of marketing operations and sources other than patronage of reasonable and necessary additions to reserves for depreciation, for depletion, for obsolescence of physical property, for doubtful accounts and for other valuation reserves, all established and computed in accordance with generally accepted accounting principles.

(4) all other necessary expenses attributable to non-member patronage of marketing operations and sources other than patronage, not including interest (dividends) on preferred capital certificates or other securities deemed to be capital rather than indebtedness, nor amounts set aside for promoting and encouraging cooperative organization.

(5) income taxes, if any, regardless of the patronage to which they are attributable.

(6) a sum equal to five per centum (5%) of the gross receipts from non-member patronage of marketing operations and sources other than patronage remaining after deduction of all of the foregoing, which sum shall be used for the purpose of promoting and encouraging cooperative organization.

(c) Annual Net Savings from Non-Member Patronage of Marketing Operations and Sources Other than Patronage. The amount remaining after reducing the gross receipts from non-member patronage of marketing operations and sources other than patronage by the deductions specified in Section 3(b) of this Article shall constitute the annual net savings (net income) from non-member patronage of marketing operations and sources other than patronage.

Section 4. Total Annual Net Savings. The sum of annual net savings from member patronage (Section 1), annual net savings from non-member patronage of purchasing operations (Section 2), and annual net savings from non-member patronage of marketing operations and sources other than patronage (Section 3) shall be known as the total annual net savings.

Section 5. Net Losses.

(a) Net Losses Sustained by One or More Divisions, Functions, or Operations When Overall Net Savings are Realized. If in any fiscal year the Association shall sustain a net loss or net losses from activities of one or more divisions, functions, or operations but shall realize net savings from overall operations, the patronage dividends distributable to patrons of divisions, functions, or operations which realized net savings for that fiscal year shall be reduced by the amount of such net loss or the aggregate amount of such net losses, and in an equitable manner. The Board of Directors, in its discretion exercised before the close of the fiscal year during which the loss is sustained and with due consideration of all the circumstances which caused the loss, may provide that future net savings of any such loss division(s), function(s), or operation(s) shall be reduced, for purposes of distributing patronage dividends for such future years, by all or any part of the net loss or net losses so applied in reduction of net savings of other divisions, functions, or operations, a like amount to be distributed as patronage dividends for the future fiscal year or years to the patrons of profitable divisions, functions, or operations whose patronage dividends were reduced in previous years.

(b) Net Savings Realized by One or More Divisions, Functions or Operations When an Overall Net Loss is Sustained. If in any fiscal year the Association shall sustain a net loss from overall operations but shall realize net savings from activities of one or more divisions, functions or operations, the Board of Directors may, in its

discretion (exercised before the close of the fiscal year during which the loss is sustained and with due consideration of all the circumstances which caused the loss) provide for the reduction of future net savings of loss divisions, functions or operations by the aggregate amount of net savings realized during the year of loss by profitable divisions, functions or operations, or any part thereof, for purposes of distributing future patronage dividends, a like amount to be distributed as patronage dividends for the future fiscal year or years to the patrons of profitable divisions, functions or operations whose patronage dividends were eliminated by the net losses in overall net loss years.

(c) Overall Net Losses. The amount of any net loss sustained by the Association from overall operations shall be offset first against any existing unallocated balance in the Association's capital reserve. Any remaining amount of a net loss shall be offset, in the discretion of the Board of Directors and with due consideration of all the circumstances which caused the overall net loss, against future additions to the Association's capital reserve or against existing credits in the Association's capital reserve which have been allocated to patrons, or in some combination of the foregoing.

(d) Assessments Against Members or Patrons. There shall be no right of assessment against members or patrons for the purpose of restoring impairments to capital caused by net losses.

Section 6. Distributions.

(a) Distributions--Member-Patronage. The annual net savings from member patronage shall be distributed annually or oftener to the member patrons on the basis of their respective patronage, and said member patrons shall be notified thereof; provided, however, that no distribution need be made where the amount otherwise to be distributed to a member patron is less than \$10.00 or such lesser amount as shall be

fixed by the Board of Directors.

(b) Distribution--Non-Member Patronage, Purchasing. The annual net savings from non-member patronage of the purchasing operations shall be distributed annually or oftener to non-member patrons on the basis of their respective patronage, and said non-member patrons shall be notified thereof; provided, however, that no distribution need be made to non-consenting patrons, nor where the amount otherwise to be distributed to a member patron or non-member patron is less than \$10.00, or such lesser amount as shall be fixed by the Board of Directors.

(c) Non-Consenting Patrons. Any annual net savings attributable to non-consenting members and non-consenting non-member patrons of purchasing operations (defined as those members or non-member patrons who have not consented to take patronage refunds into account in computing their net income, as provided in 26 U.S.C., Sec. 1385 and amendments thereto) shall be retained by the Association and placed in the capital reserve (as defined in Section 7 hereof).

(d) Non-Member Patronage, Marketing, and Non-Patronage Sources. Annual net savings from non-member patronage of marketing operations and from sources other than patronage shall be retained by the Association and placed in the said capital reserve.

(e) Minimum Requirement--Capital Reserve. So long as required by the statutes of Minnesota, any amount which is necessary, in addition to the amount provided for in the preceding paragraphs (d) and (e), to make a total contribution to the capital reserve which is equal to ten per centum (10%) of total annual savings, shall also be placed in said capital reserve; said additional amount shall first be taken from net savings from non-member patronage of purchasing operations, and secondly from net savings from member patronage. Such additional amount, however, to the extent attributable to member patronage, shall be allocated to member-patrons and the member-patrons shall be notified thereof; provided, however, that the preceding provision eliminating the requirement of distribution where the amount is less than \$10.00, or a lesser amount fixed by the Board

of Directors, shall apply.

(f) Allocations According to Sources of Savings. In making such distribution, due regard shall be given to the sources from which such savings accrue and separate allocations and distributions shall be made for the marketing and purchasing operations as separate functions of the Association, and within each of said functions, of such divisions as shall be reasonable and equitable, in the judgment of the Board of Directors.

(g) Forms of Patronage Dividends--Bylaw Consent. Patronage dividends shall be distributed in cash, credits, revolving fund certificates, Capital Equity Certificates, Preferred Capital Certificates, Certificates of Indebtedness, Letters of Advice, or any combination thereof designated by the Board of Directors. By entering into a business transaction with this Association, the member-patron and the non-member patron of purchasing operations agrees to accept a distribution of the patronage refund under these Bylaws, in such form or forms as are hereinabove provided in this Section, in satisfaction of the obligation of this Association to make the patronage refund; and the member-patron, and the non-member patron of purchasing operations shall be deemed to have received the amount of such patronage refund and reinvested the same in the capital securities, or credits in a patron's refund account, or in any combination thereof, as hereinabove provided. The books and records of this Association shall show the interest of each such patron, which shall be credited on this Association's books to the respective patron according to his respective contributions.

Each person (including individuals, partnerships, and corporations) who hereafter applies for and is accepted to membership in this Association and each member of this Association on the effective date of this Bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to his patronage occurring in any fiscal year beginning after December 31, 1962, which are made in written notices of allocation (as defined in 26 U.S.C. 1388, the

Internal Revenue Code) and which are received by him from the Association will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. 1385 in the taxable year in which such written notices of allocation are received by him--it being the intent of this Bylaw to provide a consent binding on all members who retain or obtain membership in this Association after the adoption of this Bylaw and receipt of a written notification and copy of this Bylaw, for the purpose of making such distributions "qualified written notices of allocation" within the meaning of the United States Internal Revenue Code.

Section 7. Capital Reserve. The Board of Directors shall cause to be created a Capital Reserve, and shall annually or oftener add to said Capital Reserve the annual net savings from business done with non-consenting patrons, with non-member patrons of marketing operations, and from sources other than patronage; provided, however, that the additional amount, if any, required by Section 6(e) of this Article shall also be added thereto. Interest (dividends) paid by the Association on Preferred Capital Certificates shall be paid first from amounts in the Capital Reserve which accrued from patronage by non-consenting patrons, from non-member patronage of marketing operations, and from sources other than patronage.

Section 8. Securities Authorized. This Association may issue, in the discretion of the Board of Directors, the following securities:

Preferred Capital Certificates. Such certificates, in denominations fixed by the Board of Directors, with either no maturity date or a maturity date fixed by the Board of Directors, and bearing a fixed annual or other periodic payment (which shall not constitute a repayment of their principal) in an amount equal to such percentage of their face amount as shall be determined by the Board of Directors, may be issued from time to time in the discretion of the Board of Directors. They may be issued in partial or complete distribution of patronage refunds, or may be sold, or both, all in the discretion of the

Board of Directors. Such certificates shall be callable for payment in cash or other assets at such times as may be determined by the Board of Directors.

Capital Equity Certificates. Such certificates, in denominations fixed by the Board of Directors, with either no maturity date or such maturity date as may be fixed by the Board of Directors, and bearing no interest, dividend, or other annual payment, may be issued from time to time in the discretion of the Board of Directors. They may be issued in partial or complete distribution of patronage refunds, or may be sold, or both, all in the discretion of the Board of Directors.

Certificates of Indebtedness. Such certificates may be issued from time to time in the discretion of the Board of Directors. Such certificates shall be subordinate to all other indebtedness of this Association (but shall be prior to Preferred Capital Certificates and Capital Equity Certificates). Such certificates shall be in such denominations, shall bear such maturity and rate of interest, if any, as the Board of Directors may determine and such certificates shall state. Such certificates shall be callable for payment in cash or other assets at such times as may be determined by the Board of Directors.

Section 9. Dissolution. In the event of any liquidation, dissolution, or winding up of the affairs of this Association, whether voluntary or involuntary, no member shall receive any of the assets of this Association solely by reason of his or its membership herein. All assets shall be applied first to payment of claims of creditors in full, second to payment in full of all Preferred Capital Certificates, plus accrued interest, and plus any premium for redemption which has been provided for on the face of the Preferred Capital Certificates by action of the Board of Directors, third to payment in full of all Capital Equity Certificates; thereafter all reserves not previously disbursed, withdrawn or diminished by losses shall be distributed to the patrons who contributed and owned the same in proportion to their contribution; all assets, if any, remaining after all such

payments shall belong to and be distributed to the member patrons in proportion to their respective contribution to such assets.

Section 10. Disbursement of Educational Fund. The sums provided for in paragraph (b)(8) of Section 1, and in paragraph (b)(7) of Section 2 of this Article, shall be paid to state unions chartered by the Farmers Educational and Cooperative Union of America which are actively engaged in promoting and encouraging cooperative organization in the interest of this Association in the proportion which patronage of this Association originating in each state bears to the total patronage of this Association.

ARTICLE VI.

(Fiscal Year)

Section 1. The fiscal year of this Association shall commence on the first day of June in each year and shall end on the last day of the next following May in each year.

ARTICLE VII.

(Corporate Seal)

Section 1. The Board of Directors, by resolution, may adopt, alter, or abandon the use of a corporate seal.

ARTICLE VIII.

(Duties of Members)

Section 1. It is the duty of members of this Association to market through this Association all their marketable agricultural products for which this Association offers facilities, and to patronize this Association in purchasing merchandise handled by it for its patrons and in obtaining services performed by it for its patrons.

ARTICLE IX.

(Amendments)

Section 1. These Bylaws may be altered, amended, or repealed at any Annual or Special Meeting of the members by a majority vote of the members present or represented by mail vote at such meeting; provided, however, that notice of such alteration, amendment, or repeal shall have been given to the members in or with the notice of such meeting.

B.

CERTIFICATION AS TO ADOPTION
OF PLAN OF MERGER BY
GREAT PLAINS SUPPLY COMPANY

We, the undersigned Louella Thorgerson and
Kathryn C. Caldwell, respectively the ^{Vice} President and ^{Assistant} Secretary
of GREAT PLAINS SUPPLY COMPANY, hereby certify:

That on March 18, 1971, the Board of Directors of Great Plains Supply Company adopted a resolution by majority vote of the full Board approving the PLAN OF MERGER hereinabove set forth, and also by resolution directed that the same be submitted to a vote at a meeting of voting stockholders. Notice was given of a Special Meeting of the voting stockholders of the Company by publishing in The Saint Paul Legal Ledger, a legal newspaper published in Ramsey County, being the county of the principal place of business of the Association, at least two weeks previous to the date of the meeting. A copy of the full text of said PLAN OF MERGER was included with the notice.

Said meeting of voting stockholders was held at Falcon Heights, Minnesota, on the 19th day of May, 1971. At said meeting a vote of the common stockholders

was taken on said proposed PLAN OF MERGER. There were 541 votes cast, of which 539 votes were in favor of the merger and 2 votes were opposed to same.

IN WITNESS WHEREOF, we have subscribed our names as ^{Vice} President and ~~Assistant~~ Secretary, respectively, of GREAT PLAINS SUPPLY COMPANY on this 24th day of May, 1971.

In Presence of:

Audrey J. Johnson
William L. Bennett

GREAT PLAINS SUPPLY COMPANY

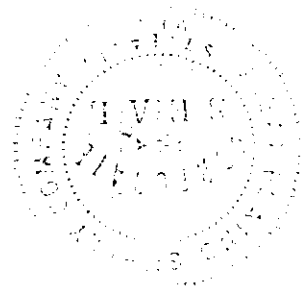
By

Samuel Hargrave
Vice President

By

Raymond C. Caldwell
Assistant Secretary

(CORPORATE SEAL)



C.

CERTIFICATION AS TO ADOPTION
OF PLAN OF MERGER BY
HONEYMEAD SOYBEAN COMPANY

We, the undersigned, Samuel Hargrave and Raymond C. Caldwell, respectively the ^{Vice} President and ^{Assistant} Secretary of HONEYMEAD SOYBEAN COMPANY, hereby certify:

That on March 18, 1971, the Board of Directors of Honeymead Soybean Company adopted a resolution by majority vote of the full Board approving the PLAN OF MERGER hereinabove set forth, and also by resolution directed that the same be submitted to a vote at a meeting of members. Notice

of Special Meeting was given by mail to each member at least 15 days previous to the date of the meeting. A copy of the full text of said PLAN OF MERGER was included with the notice.

Said meeting of members was held at Falcon Heights, Minnesota, on the 19th day of May, 1971. At said meeting a vote of the members was taken on said proposed PLAN OF MERGER. There were 25,725 votes cast, of which 24,486 votes were in favor of the merger and 1,239 votes were opposed to same.

IN WITNESS WHEREOF, we have subscribed our names as ^{line} President and ^{Assistant} Secretary, respectively, of HONEYMEAD SOYBEAN COMPANY on this 24th day of May, 1971.

In Presence of:

Audrey J. Johnson
William T. Benth

HONEYMEAD SOYBEAN COMPANY

By

Lowell Hargens
President

By

Kathleen C. Caldwell
Assistant Secretary

(CORPORATE SEAL)

D.

CERTIFICATION AS TO ADOPTION
OF PLAN OF MERGER BY
FROEDTERT MALT CORPORATION

We, the undersigned, Lowell Hargens and Kathleen C. Caldwell, respectively the ^{line} President and ^{Assistant} Secretary of

FROEDTERT MALT CORPORATION hereby certify:

That on March 18, 1971, the Board of Directors of Froedtert Malt Corporation adopted a resolution by majority vote of the full Board approving the PLAN OF MERGER hereinabove set forth, and also by resolution directed that the same be submitted to a vote at a meeting of members. Notice of Special Meeting was given by mail to each member at least 15 days previous to the date of the meeting. A copy of the full text of said PLAN OF MERGER was included with the notice.

Said meeting of members was held at Falcon Heights, Minnesota, on the 19th day of May, 1971. At said meeting a vote of the members was taken on said proposed PLAN OF MERGER. There were 13,037 votes cast, of which 13,037 votes were in favor of the merger and None votes were opposed to same.

IN WITNESS WHEREOF, we have subscribed our names as ^{vice} President and Secretary, respectively, of FROEDTERT MALT CORPORATION on this 24th day of May, 1971.

In Presence of:

Audrey J. Johnson
William T. Ratt

FROEDTERT MALT CORPORATION

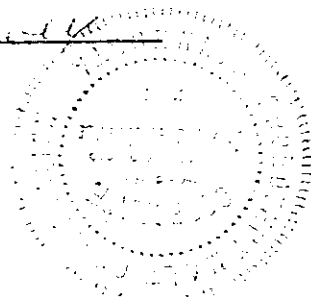
By

David H. Harsanyi
President

By

Kathleen C. Caldwell
Secretary

(CORPORATE SEAL)



E.

CERTIFICATION AS TO ADOPTION
OF PLAN OF MERGER BY
FARMERS UNION GRAIN TERMINAL ASSOCIATION

We, the undersigned, Harold E. Johnson and
Kathleen C. Carmichael, respectively the ^{President} and ^{Secretary}
of FARMERS UNION GRAIN TERMINAL ASSOCIATION, hereby certify:

That on March 18, 1971, the Board of Directors of Farmers Union Grain Terminal Association adopted a resolution by majority vote of the full Board approving the PLAN OF MERGER hereinabove set forth, and also by resolution directed that the same be submitted to a vote at a meeting of members. Notice of Special Meeting was given by publication in the Farmers Union Herald, a periodical or house organ regularly published by or on behalf of the Association and circulated generally among its members, at least two weeks previous to the date of the meeting. A copy of the full text of said PLAN OF MERGER was included with the notice.

Said meeting of members was held at Falcon Heights, Minnesota, on the 19th day of May, 1971. At said meeting a vote of the members was taken on said proposed PLAN OF MERGER. There were 126,324 votes cast, of which 125,424 votes were in favor of the merger and 900 votes were opposed to same.

IN WITNESS WHEREOF, we have subscribed our names as ^{President} and ^{Secretary}
Secretary, respectively, of FARMERS UNION GRAIN TERMINAL ASSOCIATION on this
24th day of May, 1971.

In Presence of:

Audrey J. Johnson
William Christy

FARMERS UNION GRAIN TERMINAL ASSOCIATION

BY Harold E. Johnson
President

By Kathleen C. Carmichael
Secretary

(CORPORATE SEAL)

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

On this 24th day of May, 1971, before me, a Notary
Public within and for ^{Hennepin}~~said~~ County, personally appeared Lance

Huggins and Kathryn C. Caldwell, to me personally known, who,
being by me first duly sworn, did depose and say that they are the ^{Vice}President and
^{Assistant}Secretary, respectively, of GREAT PLAINS SUPPLY COMPANY, the corporation

named in and which executed the foregoing instrument; that the seal affixed to
said instrument is the corporate seal of said corporation, and that said instrument
was signed and sealed on behalf of said corporation by authority of its Board
of Directors; and they acknowledged said instrument to be the free act and deed
of said corporation.

William L. Stenlund

Notary Public, ~~Ramsey~~ County, Minnesota
My commission expires:

NOTARY PUBLIC
WILLIAM L. STENLUND
JANUARY 1, 1973

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

On this 24th day of May, 1971, before me, a Notary
Public within and for ^{Hennepin}~~said~~ County, personally appeared Lance

Huggins and Kathryn C. Caldwell, to me personally known, who,
being by me first duly sworn, did depose and say that they are the ^{Vice}President and
^{Assistant}Secretary, respectively, of HONEYMEAD SOYBEAN COMPANY, the corporation

named in and which executed the foregoing instrument; that the seal affixed to

said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be the free act and deed of said corporation.

William T. Runtz

Notary Public, ~~Ramsey~~ County, Minnesota
My commission expires:

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

On this 21st day of May, 1971, before me, a Notary Public within and for ^{Hennepin} ~~said~~ County, personally appeared James A. Hennepin and Katherine C. Hennepin, to me personally known, who, being by me first duly sworn, did depose and say that they are the ^{Vice} President and ^{Assistant} Secretary, respectively, of FROEDTERT MALT CORPORATION, the corporation

named in and which executed the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be the free act and deed of said corporation.

William T. Runtz

Notary Public, ~~Ramsey~~ County, Minnesota
My commission expires:

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

On this 24th day of May, 1971, before me, a Notary Public within and for ^{Hennepin} ~~said~~ County, personally appeared James L. Hagerman and Kathleen E. Russell, to me personally known, who, being by me first duly sworn, did depose and say that they are the ^{Vice} President and ^{Assistant} Secretary, respectively, of FARMERS UNION GRAIN TERMINAL ASSOCIATION, the corporation named in and which executed the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be the free act and deed of said corporation.

William T. Daulton

Notary Public, ~~Ramsey~~ County, Minnesota
My commission expires:

APPROVED AS TO FORM AND LEGALITY:

By Richard L. White June 1, 1971
Warren Spannaus, Attorney General

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN 2 - 1971

John J. Elsholtz
Secretary of State

ARTICLES OF AMENDMENT OF ARTICLES OF INCORPORATION
OF
FARMERS UNION GRAIN TERMINAL ASSOCIATION

We, the undersigned, R. L. Zabel and Audrey J. Johnson, the Vice President and Assistant Secretary of Farmers Union Grain Terminal Association, respectively, which Association is organized under Chapter 326 of the Session Laws of Minnesota for 1923 and acts amendatory thereof and supplemental thereto, and has been operating as a cooperative association under and pursuant to the cooperative laws of Minnesota, now Minnesota Statutes Annotated, Sections 308.05 to 308.18, hereby certify:

1. That on the 5th day of September, A. D., 1972, the Board of Directors, by the unanimous vote of the members present at a duly held meeting attended by a majority of the members of said Board, adopted a Resolution recommending to the membership that the Articles of Incorporation of Farmers Union Grain Terminal Association be amended, which Resolution sets forth the proposed amendment.

2. That thereafter, notice was given by publication of such notice, containing the full text of the proposed amendment, in the Farmers Union Herald, a periodical or house organ regularly published by or on behalf of the association and circulated generally among its members, at least two weeks previous to the date of the meeting, such proposed amendment to be voted upon at the Annual Meeting of the stockholders to be held at Saint Paul, Minnesota, on the 28th day of November, A. D. 1972, at 10:00 o'clock in the forenoon.

3. That at said time (namely November 28, 1972) and place a majority of the members, a quorum of more than fifty (50) being present in person, duly adopted the said proposed amendment, as set forth in said Resolution and stated, below, as follows:

"RESOLVED, that Article VI. Section 1. (b) which now
reads as follows:

"(b) The Board of Directors shall always be composed
of three persons who are residents of the State of Minnesota,

three persons who are residents of the State of Montana, five persons who are residents of the State of North Dakota, and two persons who are residents of the State of South Dakota.

shall be amended to read as follows:

"(b) The Board of Directors shall be composed of persons who shall be residents of states, districts or regions as shall be provided in the Bylaws.

"RESOLVED FURTHER, that the officers of this Association are hereby authorized and directed to execute and file all certificates and take any and all other steps necessary to carry out this resolution."

IN WITNESS WHEREOF, We have hereunto subscribed our names and caused the seal of the Association to be hereunto affixed this 8th day of December, A. D. 1972.

In the Presence of:

Arthur D. [unclear]

Carrie Burmeister

FARMERS UNION GRAIN TERMINAL ASSOCIATION

By: *[Signature]*

Vice President

Attest: *[Signature]*

Assistant Secretary

STATE OF MINNESOTA)) SS
COUNTY OF RAMSEY)

BE IT REMEMBERED, That on this 8th day of December, A. D. 1972, before me, a Notary Public within and for the County of Ramsey and State of Minnesota, personally appeared R. L. Zabel and Audrey J. Johnson, to me personally known, who, being by me first duly sworn, did depose and say: That they are the Vice President and Assistant Secretary of Farmers Union Grain Terminal Association, respectively, the corporation named in and which executed the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that they acknowledged said instrument to be the free act and deed of said corporation.

[illegible]

The foregoing Articles of Amendment
examined and approved as to form and
legality this 12 day of December,
A. D. 1972.

Warren Spannaus, Attorney General

By:

John C. Murphy
Assistant Attorney General

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

DEC 13 1972

DEC 18 1972
Allen J. Erskine
Secretary of State