

**RESTATED ARTICLES OF INCORPORATION
OF
NORTHERN STAR COOPERATIVE SERVICES**

**ARTICLE I. NAME, PLACE OF BUSINESS, AND
DURATION**

Section 1. The name of this cooperative is Northern Star Cooperative Services.

Section 2. The principal place of business and the registered office of this cooperative in the State of Minnesota shall be 105 Main Ave West, P.O. Box 458, Deer River, Minnesota 56636.

Section 3. The corporate existence of this cooperative is perpetual.

ARTICLE II. OBJECTS AND PLAN

Section 1. This cooperative is organized for any purpose for which Cooperatives may be organized.

ARTICLE III. MEMBERSHIP

Section 1. This cooperative is organized without capital stock on a membership basis.

Membership in this cooperative shall be restricted to certain patrons which or who in either case meet the conditions of membership as provided in this Article III and the Bylaws of this cooperative.

Section 2. The Board of Directors of this cooperative may establish a minimum amount of business (as a percentage of purchases, in dollar volume, or otherwise) that cooperative associations must transact with or through this cooperative to be eligible for membership in this cooperative, and also may adopt such additional conditions, qualifications, methods of acceptance, duties, rights and privileges of membership in this cooperative as it may from time to time deem advisable. The Board of Directors of this cooperative may refuse membership or provide conditional membership to an applicant in its sole discretion. A membership in this cooperative is transferable only with the consent and approval of the Board of Directors.

Section 3. This cooperative shall have at least one class of members. This cooperative may have such additional classes of members, with such designations, and such relative rights, preferences, privileges and limitations, as provided in the Bylaws of this cooperative.

Section 4. Voting rights in this cooperative arise solely by virtue of membership in this cooperative, and only members of this cooperative shall have voting power in this cooperative. Each member shall have one (1) vote in the affairs of the cooperative, and may otherwise be entitled to additional votes as further authorized in the Bylaws.

Section 5. Persons who patronize this cooperative under conditions established by the Board of Directors of this cooperative or as provided in the Bylaws of this cooperative but are otherwise not eligible to be members of this cooperative may nevertheless conduct business with this

cooperative on a patronage basis as a nonmember patron, and according to conditions imposed by the Board of Directors or are more particularly provided in the Bylaws of this cooperative. Such nonmember patrons are not members of this cooperative and are not entitled to voting rights or other privileges incident to membership in this cooperative.

Section 6. In addition to and not by way of limitation of the powers granted to the Board of Directors of this cooperative by the laws of the State of Minnesota or elsewhere in these Articles or the Bylaws of this cooperative, the Board of Directors shall have the authority and power to, by resolution, establish and issue to any person (whether member, nonmember patron, or other person) one or more than one class or series of debt and/or equity instruments, may set forth the designation of classes or series of debt and/or equity instruments, and may fix the relative rights, preferences, privileges and limitations of each class or series of debt and/or equity instruments, including, without limitation, one or more than one class or series of Preferred Equity instruments. Dividends may be paid on the equity capital of this cooperative, which is evidenced by an equity instrument established pursuant to this Section 6); provided that dividends on such equity capital may not exceed the rate allowed by law. Debt or equity instruments established pursuant to this Section 6 shall not entitle the holder to voting rights. Unless otherwise expressly authorized by the Board of Directors, debt or equity instruments established and issued pursuant to this Section 6 may only be sold or transferred with the approval of the Board of Directors of this cooperative.

Section 7. a. First Lien. This cooperative shall have a first lien on all stock and patronage equities, and other interests standing on its books, and the books of entities through which the Cooperative transacts its patronage businesses for all indebtedness of the respective holders to the cooperative. This cooperative shall also have the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the amount of stock and patronage credits or other interests standing on its books; provided, however, that nothing contained herein shall give the owners of stock or patronage credits or other interests any right to have such set off made.

b. Discount of Equity. The Cooperative may discount the value of the stock and equity credits. The method of discounting the value of the stock and equity credits shall be to calculate the present value of the credits based on the number of years to the expected redemption of the stock and equity credits had the offset against the indebtedness not occurred. The discount rate shall be determined by the Board of Directors. If the discounted stock and equity credits are more than the indebtedness to be offset, any excess credits shall be returned, in the board's discretion, either at the time of the offset, or in the normal redemption cycle along with every other patron's equities. If the discounted stock and equity credits are less than the indebtedness to be offset, the cooperative's lien shall continue against future stock and equity credits allocated to the patron, which shall be discounted and offset against the remaining indebtedness.

c. Set-Off. Whenever the Board of Directors determines, in its sole discretion, that a member or patron who is obligated for the payment of any goods or services purchased from the association or any business entity through which the Cooperative conducts a patronage-sourced business is insolvent, the Board of Directors may, in its sole discretion, discount and set off as much equity equal to the indebtedness owed to the Cooperative or other business entity. The balance, if any, after the discount and setoff shall not be redeemed unless and until the Board of

Directors determines, in its sole discretion, that the redemption is consistent with and in support of the Cooperative's goals and objectives and business interests. Until a determination is made by the Board of Directors, if ever, to redeem the equity, the remaining equity shall remain accounted for on the books and records of the Cooperative and its remaining face value.

Section 8. Termination of Membership. A member automatically becomes ineligible for membership when the patron fails to patronize this cooperative for a period of twelve (12) consecutive months, or dies. If the Board of Directors determines that a member has become ineligible for membership in this cooperative, such member shall have no rights or privileges on account of such membership in the management of the affairs of this cooperative, and the membership of such member may be terminated by the Board of Directors. Membership may, at the discretion of the Board of Directors, be terminated whenever the Board of Directors by resolution finds that a member has:

- (a) intentionally or repeatedly violated any provision of the Articles of Incorporation, Bylaws or Board policies of this cooperative; or
- (b) breached any contract with this cooperative; or
- (c) willfully obstructed any lawful purpose or activity of this cooperative; or
- (d) remained indebted to this cooperative for ninety (90) days after such indebtedness becomes payable; or
- (e) in the case of a business organization, is dissolved.

Provided, however, that termination of any member's membership as a result of any of the circumstances listed in paragraphs (a) through (e) above shall not be deemed to revoke such member's consent but rather such member may only revoke such consent in writing. Upon termination of membership said member shall thereafter have no voting rights in this cooperative. No action taken hereunder shall impair the obligations or liabilities of either party under any contract with the cooperative which may be terminated only as provided therein.

ARTICLE IV. BOARD OF DIRECTORS

The business of this cooperative and the management of its affairs shall be vested in a Board of not less than five (5) directors as set by the Bylaws, which directors shall be members or representatives of members who are other than natural persons. Directors shall be elected by and from the members of the cooperative for such terms as the Bylaws may prescribe at the annual meetings of the members.

ARTICLE V. AMENDMENTS

These Articles of Incorporation may be amended by the members at the annual meeting or at any special meeting called for that purpose if approved by a majority of the votes cast.

ARTICLE VI. DISSOLUTION

Upon the Cooperative's dissolution, and after all debts and obligations of the Cooperative are provided for, and after all preferred equities, allocated equities are paid at face value, any assets remaining after the foregoing payments have been made shall be allocated in such manner as the Board of Directors, having taken into consideration the origin of such amounts, shall determine to be reasonable and equitable. Amounts so allocated shall be paid to current and former members in proportion to their patronage over such period as may be determined to be equitable and practicable by the Board of Directors. Such obligation to distribute shall be construed as a pre-existing duty to distribute any patronage sourced net gain realized in the winding up process to the maximum extent allowable by law.

ARTICLE VII. DIRECTOR INDEMNIFICATION

A director shall not be personally liable to the cooperative or its members for monetary damages for breach of fiduciary duty as a director; provided that this provision shall not eliminate or limit the liability of a director:

- (a) for a breach of the director's duty of loyalty to the cooperative association or its members;
- (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) for a transaction from which the director derived an improper personal benefit; or
- (d) for an act or omission occurring prior to the date when the provision in the Articles eliminating or limiting liability becomes effective.

**AMENDED AND RESTATED BYLAWS
OF
NORTHERN STAR COOPERATIVE SERVICES**

ARTICLE I. MEMBER MEETINGS

Section 1. Annual Meeting. An annual meeting of the members of this cooperative shall be held annually, not later than six (6) months after the end of the fiscal year, at the principal place of business of this cooperative, or at such other place conveniently located within the area served by it, and at such date and hour as may be determined by the Board of Directors and designated in the notice of the meeting.

Section 2. Special Meetings. The Chairperson shall cause a special meeting of the members to be called upon a written petition of at least 20% of the members or upon a majority vote of the directors. A notice stating the time, place, and purpose of such special meeting shall be issued within 10 days from and after the presentation of such petition, and such special meeting shall be held within 30 days from and after the date of presenting such petition. No business shall be considered at such meeting except as may be mentioned in the call and included in the notice of the meeting.

Section 3. Notice of Meetings. Notice of meetings, both annual meetings and special meetings, shall be mailed to each and every member personally (or, in the case of an association, to the Secretary thereof) at the member's last known post office address, not less than fifteen (15) days previous to the date of the meeting. In lieu of such notice by mail, notice of the meeting may be given by publication in a legal newspaper published in the county of the principal place of business of the cooperative, or by publication in a magazine, periodical, or other publication of the cooperative that is regularly published by or on behalf of the cooperative and circulated generally among the members, at least two weeks previous to the date of the meeting.

After mailing or publishing any notice of any meeting of the members, the Secretary shall execute a certificate containing a correct copy of the mailed or published notice, the date of mailing or publishing the notice, and a statement that the notice was mailed or published within the time and in the manner prescribed by law. Said certificate shall be made a part of the record of the meeting.

Section 4. Quorum. At any regular or special meeting of the members of this cooperative, a quorum necessary to the transaction of business shall consist of at least 10% of the total number of members, provided that if this cooperative has over 500 members, 50 members present shall constitute a quorum.

Section 5. Conduct of Meetings. The order of business at the regular meetings and so far as possible at all other meetings shall be:

- (a) Calling of meeting to order.
- (b) Proof of notice of meeting.

- (c) Reading and action on any unapproved minutes.
- (d) Report of officers and committees.
- (e) Election of directors.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

Section 6. Voting. Each member shall be entitled to only one vote on any question, regardless of the amount of equity. No proxy voting shall be allowed.

Section 7. Voting by Mail. Any member who is absent from any meeting of the members may vote by mail on the ballot herein prescribed on any motion, resolution, or amendment that the Board of Directors specifically submits to the members for a vote by mail, except that the election of directors may not be submitted to the members for a vote by mail. Said ballot shall be in the form prescribed by the Board of Directors, shall contain the exact text of the proposed motion, resolution, or amendment to be acted on at the meeting, shall include the date of the meeting, and shall contain spaces opposite the text of the motion, resolution, or amendment in which the member may indicate an affirmative or negative vote. The member shall express such member's choice by marking an "X" in the appropriate space on the ballot. A properly executed ballot which is received by this cooperative before the meeting begins shall be accepted by the Board of Directors and counted as the vote of the absent member at the meeting.

ARTICLE II. BOARD OF DIRECTORS

Section 1. Number and Qualifications. The government of this cooperative and the management of its affairs shall be vested in a Board of Directors composed of not less than five (5) of its members who shall be elected at the annual meeting of such members and hold office for three (3) years. The directors may establish membership districts. Annually as many directors shall be elected to serve for a three-year term as there are regular vacancies in the number of directors. All directors shall hold office until their successors are elected and qualified. Any vacancy in the board, other than by expiration of a term of office, shall be filled by a majority vote of the remaining directors. In case a vacancy in the board of directors extends beyond the next annual meeting, such vacancy shall be filled until such meeting at which meeting a director shall be chosen by the members for the unexpired term of such vacancy; otherwise, the vacancy shall be filled by the directors for the unexpired term.

Section 2. Reorganizational Meeting. The reorganizational meeting of the Board of Directors shall be held following the annual meeting of the members without further notice. At this meeting, the officers of the cooperative shall be elected for the ensuing year.

Section 3. Regular Meetings. Regular meetings of the Board shall be held each month at such time and place as fixed by the Board.

Section 4. Special Meetings. Special meetings may be called by the Chairperson, the manager or any three (3) directors. All meetings shall be held on such notice, if any, as the Board may prescribe; but any business may be transacted at any meeting without mention of such business in the notice.

Section 5. Quorum. A majority of the members of the Board shall constitute a quorum. The decision of a majority of the directors made when duly assembled shall be valid.

Section 6. Compensation. The compensation, if any, of the directors and officers may be fixed at any annual meeting or special meeting of the members of this cooperative; but upon any failure of the members to do so, the Board of Directors may do so.

Section 7. Bonds. The Board of Directors shall require each officer, agent, and employee having control or custody of any of this cooperative's funds or property to furnish a surety bond satisfactory to said Board, and the cost thereof shall be paid by this cooperative.

Section 8. Audit. The Board of Directors shall have a certified audit of the books of this cooperative audited by a public accountant at least once each fiscal year; and the report of such certified audit shall be made at the next annual meeting of the members. The Board shall meet in Executive Session with a public accountant at the audit meeting.

Section 9. Borrowing. The Board of Directors shall have power, which may be exercised only by a vote of a majority of all of the directors, to authorize and approve the borrowing of money and the pledging and mortgaging of any or all of the assets of this cooperative as security for the sums so borrowed.

Section 10. Corporate Seal. The Board of Directors may adopt, alter, or abandon the use of a corporate seal.

Section 11. Executive Committee. The Board of Directors may appoint an Executive Committee of not less than three (3) directors, one of whom shall be the Chairperson. The Executive Committee shall not have any authority to:

- (a) fill any vacancy either in any elective office or in its own membership or in the Board of Directors;
- (b) employ or discharge any Manager for this cooperative;
- (c) call any meeting of the members;
- (d) meet or otherwise act at any time when either the Board of Directors or the members are holding a meeting; or
- (e) do anything which is required by law to be done only by the Board of Directors and which said Board cannot lawfully delegate to such a Committee.

The Executive Committee shall have such other powers and duties as the Board of Directors may delegate to or require of it.

Section 12. Mail and/or Electronic Ballots for Elections or Removals of Directors. It is the policy of this Cooperative that mail and/or electronic ballots may be used in the process of electing directors and shall be used in the process of removing directors. When used, electronic and/or mail ballots shall be signed by the Member casting the ballot. Any mail ballot without a signature or whose signature is illegible shall be void and not counted for any purpose. In the case of elections, nominations must be made before the ballot is prepared, and the Board of Directors shall establish a process for notifying patrons for the nomination process not less than 30 days prior to preparation of the mail and/or electronic ballot. Nominees must be voting members in good standing. The Board of Directors may adopt additional rules, if any, that it deems necessary to further implement the process of using mail or electronic ballots, which rules shall be published in the main office of the Cooperative 30 days prior to any director election.

ARTICLE III. OFFICERS

Section 1. Election. The officers of this cooperative shall be a Chairperson, Vice Chairperson, a Secretary, and a Treasurer to be elected by the Directors from among their number. The term of all officers shall be until the next annual meeting of the Directors and until their successors are elected and qualified.

Section 2. Chairperson. The Chairperson shall preside over all meetings of the cooperative and of the Board of Directors, call special meetings of the cooperative and of the Board, perform all acts and duties usually performed by an executive and presiding officer, shall sign all papers of the cooperative as may be authorized or directed to sign by the Board; provided that the Board may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the cooperative. The Chairperson shall perform such other duties as may be prescribed by the Board.

Section 3. Vice Chairperson. In the absence or disability of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson, provided, however, that in case of death, resignation or disability of the Chairperson, the Board of Directors may declare the office vacant and elect a successor.

Section 4. Secretary. The secretary shall direct that a complete record of all meetings of the cooperative and of the Board of Directors be maintained at the Cooperative. The Secretary shall sign such papers pertaining to the cooperative as may be authorized or directed to do by the Board. The Secretary shall give all notices required by law and by these Bylaws and shall make a full report of all meetings and business pertaining to the office to the members at the annual meeting.

Section 5. Treasurer. The Treasurer shall deposit and disburse funds upon the authority of the Board of Directors, and shall perform such other duties as may be prescribed by the Board. The day-to-day cash management and accounting functions will be the responsibility of management and the Board of Directors shall be responsible for oversight of those functions.

Whenever the Board of Directors may so order, the offices of Secretary and Treasurer may be held by the same person, and such person shall be designated as Secretary-Treasurer. The Secretary and Treasurer or the Secretary-Treasurer may delegate any and all duties to any

employee of the cooperative with the approval of the Board, except such duties as are specifically required by law to be performed by such officers or officer.

Section 6. Bonds. Officers and employees having the custody of or handling the funds, securities, or property of the cooperative shall give a fiduciary bond satisfactory to the Board of Directors at the expense of the cooperative, or those officers and employees shall be covered by dishonesty insurance.

Section 7. Removal. The members may, at any annual meeting or at any special meeting called for that purpose, by a majority vote, remove any director or officer for cause upon notice and hearing as provided by law and fill any vacancy caused by such removal.

ARTICLE IV. MANAGER

Section 1. Manager and Help. The Board of Directors may employ a manager and provide for other help under such contracts of employment and compensation as they may deem advisable and may terminate such employment at their discretion subject to the terms thereof. The manager shall be responsible for the day-to-day management of the Cooperative, for decisions to hire or to terminate the employment of employees, and for all other matters assigned to the manager by the Board of Directors.

ARTICLE V. DISTRIBUTION OF SAVINGS

Section 1. a. Gross Receipts from Patronage. Gross receipts of the cooperative from patronage shall be all proceeds from the sale of products marketed for patrons, all sums received for supplies, equipment, commodities and other property procured for patrons, all sums received for services performed for patrons, all sums received (including patronage dividends received) which reduce costs and expenses incurred in connection with these activities and all other sums received that are patronage sourced income as defined by federal or state law.

- (1) Those gross receipts which reduce the costs and expenses incurred in connection with patronage shall be used to reduce the deductions from gross receipts enumerated in Section 1 (b) of this Article.
- (2) All other gross receipts from patronage shall be distributed by the cooperative to its patrons, subject to the deductions therefrom and to the exceptions thereto hereinafter provided.

b. Deductions From Gross Receipts From Patronage. The cooperative shall deduct from "gross receipts from patronage":

- (1) All necessary marketing expenses,
- (2) The actual cost of supplies, commodities, equipment, and other property procured for patrons,
- (3) The actual cost of services performed for patrons, and

- (4) Amounts attributable to gross receipts from patronage of:
 - (i) taxes, other than taxes based on income,
 - (ii) all other necessary expenses,
 - (iii) 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) The amounts expended for the purpose of teaching and promoting cooperation if and to the extent provided in these Bylaws.

c. Annual Net Savings From Patronage. The amount remaining after reducing the "gross receipts from patronage" by the deductions specified in Section 1(b) of this Article shall constitute the annual net savings (net earnings) from patronage, which shall be distributed to the patrons of this cooperative, subject only to the deductions therefrom and the exceptions thereto provided in Sections 4 and 5 of this Article.

Section 2. a. Gross Receipts from Sources Other Than Patronage. Gross receipts of the cooperative from all sources other than those described in Section 1(a) of this Article shall constitute "gross receipts from 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.

b. Deductions From Gross Receipts From Sources Other Than Patronage. The cooperative shall deduct from "gross receipts from sources other than patronage" amounts attributable to gross receipts from sources other than patronage, of:

- (1) Taxes other than taxes based on income,
- (2) All other necessary expenses, and
- (3) 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.

c. Annual Net Savings from Sources Other Than Patronage. The amount remaining after reducing the "gross receipts from sources other than patronage" by the deductions specified in Section 2 (b) of this Article shall constitute the annual net savings (net earnings) from sources other than patronage.

Section 3. Total Annual Net Savings. The sum of annual net savings from patronage and annual net savings from sources other than patronage shall be known as the "total annual net savings".

Section 4. Capital Reserve. The Board of Directors shall annually set aside an amount equal to 10% of the total annual net savings as a capital reserve, without allocation to patrons, to be accumulated from the following sources:

- (a) Annual net savings from sources other than patronage.
- (b) Annual net savings from patronage on business done for the United States or any of its agencies.
- (c) Annual net savings from patronage attributable to patrons who are unidentified.
- (d) Annual net savings from patronage attributable to patrons who do not consent to take into account patronage dividends from the cooperative in the manner provided in 26 U.S.C. Section 1385.
- (e) Annual net savings from patronage attributable to patrons who so consent but which are, as to any one patron, less than the de minimus amount that may be established by the Board of Directors from time to time.

If items (a) through (e) should total more than the required 10%, the total amount thereof shall nevertheless be placed in the capital reserve. If such items (a) through (e) do not equal the required 10%, an amount sufficient to produce a total addition to the capital reserve equal to 10% of the total annual net savings shall be set aside from the annual net savings from patronage.

Taxes based on income shall be charged to said capital reserve.

Section 5. Distribution. The annual net savings from patronage less any deductions therefrom or exceptions thereto as determined by Section 4 of this Article shall be distributed annually (except as hereinafter provided) to the patrons of the cooperative who consent to take into account patronage distributions from the cooperative in the manner provided in 26 U.S.C. Section 1385, on the basis of their respective patronage, and said patrons shall be notified thereof.

- (a) In making such distributions, 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 divisions of the cooperative.
- (b) Patronage dividends shall be distributed in cash, or in written notices of allocation, or by any combination thereof designated by the Board of Directors.

ARTICLE VI. ACCOUNTING AND MISCELLANEOUS

Section 1. Losses. In the event of a loss in one or more departments, divisions of operations, or functions of this cooperative which is not of such magnitude as to cause an overall loss to the cooperative for the fiscal year, the loss shall be prorated against each of the remaining profitable departments, divisions of operation, or functions on the basis of their respective percentage of the total annual net savings during said fiscal year.

In the event that this cooperative shall incur a net loss in any fiscal year, said net loss shall be charged first against any capital reserve. If the loss exceeds the amount of the capital reserve, the Board of Directors may elect to recover the loss from prior or subsequent years' total annual net savings. The Board of Directors shall not have the authority to make any assessment against members; however, it shall have the authority to apply losses to member's individual patronage credit accounts or to apply an annual fee for the cost of maintaining this cooperative's books and records for inactive accounts. This section shall not be construed or administered so as to deprive this cooperative of the right to carry back or carry forward net operating losses to past or future years in accordance with the applicable provisions of the Internal Revenue Code or state taxing statutes.

Section 2. Write-Downs of Investments in Federated Cooperatives. In the event that this cooperative shall have a write-down of any investments that it holds in another cooperative (hereinafter called a "Federated Cooperative"), the Board of Directors shall have the discretion to apply the write-down to the outstanding reserves of this cooperative, or to allocate the write-down to the members' individual patronage credit accounts. The Board of Directors shall have the authority to divide the write-down between the cooperative's reserves and the members' individual patronage credit accounts. The Board of Directors shall have the authority to divide the write-down between the cooperatives' reserves and the members' individual patronage credit accounts in any manner that it chooses.

Section 3. a. Unclaimed Property. In accordance with Minnesota Statutes 1986, Section 308.12, Subd. 5, this cooperative may distribute any unclaimed property which has been reported as unclaimed property to the Commissioner of Commerce of the State of Minnesota, to a corporation or organization on which is exempt from taxation under Minnesota Statutes Section 290.05, Subd. 1, paragraph (b), or 2. The rights of an owner to unclaimed property shall be extinguished upon the disbursement of the property to a tax-exempt organization in accordance with Minnesota laws.

b. No Addresses. Whenever the cooperative determines that it does not have a current address for the member or patron who was previously allocated equity of the cooperative, or whenever a member or patron fails to maintain a current address at the cooperative, then, in that case and before the equity ever becomes payable or unclaimed, it shall be contributed to the cooperative's unallocated surplus and in the case of a dissolution of the cooperative, the total surplus remaining, including these contributed amounts, if any, will be distributed to the members and patrons as determined by the Board of Directors and in accordance with the Articles of Incorporation and Bylaws of this cooperative.

If any equity becomes payable and ultimately is unclaimed because the member or patron cannot be located or found, the Board of Directors may provide for alternative distributions to organizations, agencies or entities rather than forfeiting this property to the State of Minnesota, all in accordance with (a) above.

Section 4. Fiscal Year. The fiscal year of this cooperative shall begin on the first day of October and end on the last day of September of the following year.

ARTICLE VII. CONSENT

Each person (including individuals, partnerships, and business or cooperative corporations) who becomes a member and each member of this cooperative who continues as a member shall, by such act alone, consent that the amounts of any distributions with respect to patronage occurring in any fiscal year, which are made in written notices of allocation (as defined in 26 U.S.C. 1388, the Internal Revenue Code) and which are received from the cooperative, will be taken into account at their stated dollar amounts, in the manner provided in 26 U.S.C. 1385 in the taxable years in which such written notices of allocation are received.

ARTICLE VIII. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND INSURANCE

Persons (including the heirs or estates of such persons) now or hereafter serving as a director, officer, or employee of this cooperative, or of any other corporation at the request of the cooperative, shall be indemnified by the cooperative to the extent and in the manner provided by Minnesota law, as now in effect and as hereafter amended, against actual expenses incurred by them in connection with any threatened, pending, or completed action or suit whenever brought because they are or were such a director, officer, or employee if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interest of the cooperative or corporation.

This cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, manager, employee, or agent of this cooperative against liability asserted against and incurred by the person in the person's capacity as a director, officer, manager, employee or agent, or arising from the person's status as a director, officer, manager, employee or agent of the cooperative.

ARTICLE IX. CAPITAL PLANNING

The Board of Directors may, from time to time, establish policies for redeeming equities, stock, or other forms of equity used for qualified or non-qualified notices of allocation. The Board retains the power to amend, modify or repeal these policies and may do so retroactively, all in the Board's sole discretion. For example, if the application of a policy to a specific circumstance suggests that the equity of a deceased member should be paid to the member's estate, the Board of Directors retains the right and power to determine whether to approve the expenditure. In each case, the Board of Directors may refuse any expenditure(s) if the Board determines that such expenditure(s) is (are) not in the interest of the cooperative. Therefore, no equity redemption policy shall be interpreted to require any expenditure of capital and the Board of Directors retains all right and power to the final review and approval of each expenditure of capital for any redemption of equity.

ARTICLE X. AMENDMENTS

These Bylaws may be amended by the members at the annual meeting or at any special meeting called for that purpose if approved by a majority of the votes cast provided that the notice of any such meeting contains a summary statement of the proposed amendment.

The Board of Directors may amend any Bylaw, which shall be effective when a resolution is passed by the Board, but any such amendment shall be announced at the next annual meeting, and may be subsequently amended at an annual or special meeting of the members with prior notice.