

**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. W., 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, pursuant to Minnesota Statutes Chapter 308A, 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 as further defined in 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 persons 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.

Section 3. 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 4. 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.

Section 5. 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 6. 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 7. Termination of Membership. The bylaws of this cooperative may provide for the termination of a patron's membership.

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 at the annual meeting, by and from the members of the cooperative for such terms as the Bylaws may prescribe. The bylaws may set required qualifications of a member to be eligible to serve as a director on the Board of Directors.

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.