

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

November 25, 1996

FACSIMILE
(202) 429-7049

HAND DELIVERED

Lawrence W. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C.

Re: Advisory Opinion Request

Dear Mr. Noble:

This office represents the Farm Credit Council on whose behalf we hereby request an Advisory Opinion from the Federal Election Commission ("the Commission") pursuant to 11 C.F.R. § 112.1. The Farm Credit Council ("FCC") and the National Council of Farmer Cooperatives ("NCFC") are two organizations that focus on agricultural issues. FCC and NCFC both have separate segregated funds which, as of 1985, have been registered as affiliated PACs.^{1/} Because of certain changes in FCC's structure, described in detail below, FCC wishes to amend its PAC's Statement of Organization so as to reflect that it is no longer affiliated with NCFC's PAC. My client would like to make this effective as of January 1, 1997, and now requests a formal Advisory Opinion

^{1/} FCC's PAC is registered as the Farm Credit Council PAC ("FCC PAC"), FEC ID # C00193631. NCFC's PAC is registered as the National Council of Farmer Cooperatives PAC ("CO-OP PAC"), FEC ID # C00002238.

Nov 25 5 21 PM '96

AOR 1996-50
FEDERAL ELECTION COMMISSION
U.S. GOVERNMENT PRINTING OFFICE
1996 OMB NO. 1125-0001
GPO : 1996 OMB NO. 1125-0001

regarding whether the two PACs are currently affiliated, as defined by the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431 et seq., and pertinent Commission regulations.

BACKGROUND

FCC is a not-for-profit membership organization incorporated in the District of Columbia. It is a 501(c)(6) tax-exempt organization whose major purpose is to promote the common interests of institutions chartered under the Farm Credit Act of 1971, as amended, 12 U.S.C. §§ 2001 et. seq. (the "Farm Credit Act"). FCC's voting membership, as of January 1, 1996, is comprised of the National Bank for Cooperatives and six District Farm Credit Councils.^{2/} Its non-voting membership consists of cooperative agricultural lenders that are not part of the Farm Credit System, agricultural cooperatives, and other borrowers. See attached FCC Articles of Incorporation and Bylaws ("EXHIBIT 1").

NCFC is a not-for-profit national association of cooperative businesses owned and controlled by farmers. NCFC is a 501(c)(6) tax-exempt organization incorporated in Illinois. Its purpose is

^{2/} The District Farm Credit Councils are district trade associations whose voting membership, with one exception, is comprised solely of institutions of the Farm Credit System chartered under the Farm Credit Act. The exception is the Wichita District Farm Credit Council, which includes among its voting members the National Livestock Credit Corporation, which is a non-Farm Credit System retail lender having, pursuant to the Farm Credit Act, a direct borrowing relationship with the Farm Credit Bank of Wichita, Kansas, for over sixty years.

to promote the interests of farm cooperatives on both national and international levels, including farmers' rights to market their products collectively. Its membership is comprised of agricultural cooperative associations, as defined by § 1141j(a) of the Agricultural Marketing Act, 12 U.S.C. §§ 1141 et seq., state cooperative councils,^{3/} and certain Farm Credit System institutions.^{4/} See attached NCFC Articles of Incorporation and Bylaws ("EXHIBIT 2").

As indicated above, FCC PAC and CO-OP PAC registered as affiliated PACs in 1985. This was based on a variety of factors. First, at that time, FCC and NCFC management was interrelated. The President of FCC was an NCFC officer, and the NCFC Chief Executive Officer participated in the selection of the FCC's President. Second, FCC and NCFC shared a common treasurer and a common benefits program. Third, FCC and NCFC shared common office space and equipment. Finally, the two organizations' PACs shared an assistant treasurer.

In early 1990, FCC was restructured and substantially increased the scope of its activities, as well as increasing its staffing almost tenfold. This restructuring occurred because FCC

^{3/} The state cooperative councils are eligible to serve on the board of directors but are not entitled to vote on matters before the delegate body.

^{4/} The National Bank for Cooperatives, the District Banks for Cooperatives, and the Farm Credit Banks of any District are the Farm Credit System institutions eligible for voting membership in NCFC.

purchased the assets of the Farm Credit Corporation of America, a Denver based organization, on January 31, 1990. By absorbing most of Farm Credit Corporation's employees and assets, FCC was able to devote many more resources to promoting its members' interests.^{5/}

Commencing with this expansion, FCC substantially altered both its own and FCC PAC's administrative structure. FCC PAC and CO-OP PAC have separate advisory committees with no overlapping members. All recommendations for political contributions and expenditures are completely independent and all records are kept separately. The two PACs no longer share any common officers or employees. Because of the fundamental change in the relationship of FCC and NCFC, the two organizations believe their PACs are no longer affiliated. FCC requests this Advisory Opinion in order to confirm this belief.

COMMISSION REGULATIONS

FCC and NCFC are separate organizations, and thus there is no per se rule that their PACs are affiliated. See Advisory Opinions 1993-23, Fed. Election Camp. Fin. Guide (CCH) ¶ 6104 (1994); 1990-10, Fed. Election Camp. Fin. Guide (CCH) ¶ 5995 (1994). Commission

^{5/} NCFC and FCC entered into a formal agreement at the time of FCC's restructuring, in order to signify that, despite FCC's new size, the two organizations would continue to work towards common goals. The agreement did not alter the relationship of FCC PAC and CO-OP PAC, and expired under its own terms on June 30, 1996. The agreement has not and will not be renewed. See attached affiliation agreement ("Exhibit 3").

regulations, therefore, "provide for an examination of various factors in the context of an overall relationship to determine whether one company is an affiliate of another and, hence, whether their respective SSF's are affiliated with each other." Advisory Opinion 1993-23, Fed. Election Camp. Fin. Guide (CCH) ¶ 6104 (1994). These criteria are set out at 11 C.F.R § 110.3(a)(3)(ii).

The relevant factors on which the Commission chiefly relies are as follows:

- (A) the ownership by one sponsoring organization of a controlling interest in the voting stock or securities of another sponsoring organization;
- (B) the authority or ability of one sponsoring organization to participate in the governance of another sponsoring organization through provisions of constitutions, by-laws, contracts or other rules, or through formal or informal practices or procedures;
- (C) the authority or ability to hire, demote or otherwise control the decisionmakers of another sponsoring organization;
- (D) common or overlapping membership with another sponsoring organization, indicating a formal or ongoing relationship between the sponsoring organizations;
- (E) common or overlapping officers or employees, indicating a formal or ongoing relationship between the sponsoring organizations;
- (F) members, officers, or employees of one sponsoring organization who were members, officers, or employees of another organization which indicates a formal or ongoing relationship or the creation of a successor entity; and
- (G) the provision of funds or goods in significant amounts or on an ongoing basis to another sponsoring organization

(I) an active or significant role by one sponsoring organization in the formation of another.

See Advisory Opinions 1996-23, Fed. Election Camp. Fin. Guide (CCH) ¶ 6206 (1996); 1994-9, Fed. Election Camp. Fin. Guide (CCH) ¶ 6113 (1994); 1993-23, Fed. Election Camp. Fin. Guide (CCH) ¶ 6104 (1994).

ANALYSIS

FCC believes that when these criteria are applied to their current relationship, they establish that neither organization is an affiliate of the other as contemplated by Commission regulations, and thus their PACs are not affiliated.

As indicated above, FCC and NCFC are separate organizations with distinct purposes and neither had an active or significant role in the creation of the other. There is no significant payment of funds or services between the two organizations or their PACs.^{6/} Thus, contrary to situations where one corporation creates another and a legally significant relationship may therefore result, FCC and NCFC are wholly independent entities.

Compare Advisory Opinion 1986-42, 1993-23, Fed. Election Camp. Fin.

^{6/} The minimal payments between FCC and NCFC result from FCC reimbursing NCFC for a portion of the salary of one receptionist and other minimal expenses arising from the shared office space of the two organizations (e.g. office/copier supplies). The receptionist is an employee of NCFC. However, the two organizations do have separate phone lines. There are certain payments made from NCFC to FCC in connection with the annual meetings. These meetings partially overlap in time and, because a number of individuals attend both meetings, some registration fees are processed by one organization and then allocated appropriately to the other. This arrangement is solely for administrative ease and convenience for the participants.

Guide (CCH) ¶ 5884 (1994) (affiliation determined where one corporation was originally established as a wholly owned subsidiary of the other).

Neither FCC nor NCFC has any controlling interest in stock or otherwise in the other organization. Neither organization can participate in any way in the other's governance, through formal or informal means. The affiliation agreement between the two organizations has been terminated. See Footnote 5, *supra*. FCC and NCFC are governed by two independent boards with no overlapping directors. FCC's CEO is no longer an NCFC officer, and NCFC's CEO no longer participates in the selection of FCC's CEO. The two organizations no longer share a common benefits program. Furthermore, the two organizations no longer share a common treasurer and the PACs no longer have the same assistant treasurer.^{7/} Thus, there are no longer any connections between the governing structure and officers of FCC and NCFC. Compare Advisory Opinions 1994-9, Fed. Election Camp. Fin. Guide (CCH) ¶ 6113 (1994); 1987-21, Fed. Election Camp. Fin. Guide (CCH) ¶ 5898

^{7/} The Commission indicated in Advisory Opinion 1989-16 that the fact that two PACs had shared a treasurer did not by itself yield continuing affiliation when other relationships between the PACs had ceased. Advisory Opinion 1989-16, Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5967 at 11,565 (1989). FCC PAC and NCFC PAC now do not share book-keeping in any way.

(1994) (citing the role of one corporation's directors on another corporation's Board as significant in finding affiliation).^{8/}

There are only two considerations that suggest any relationship between the FCC and NCFC. First, their offices are in the same building, and they share some office facilities and services. This is solely for convenience of location and financial savings with respect to office costs.^{9/} In the past, both organizations have considered a change in location, but rejected it because FCC's and NCFC's prior tenancy in the building allowed them to negotiate more favorable rents than in other comparable office spaces. The two organizations have no common staff members, other than a shared receptionist.^{10/}

^{8/} FCC's current Executive Vice President of Government and Public Affairs briefly served as interim President of FCC and in such capacity was an ex officio officer of NCFC during 1989. However, that individual had no duties with respect to NCFC and had no participation in its governance. The ex officio relationship was terminated in early 1990. Any other ex officio relationships resulting from the affiliation agreement expired when the agreement was not renewed. See Note 5, supra.

^{9/} There is also a third tenant sharing office space with FCC and NCFC, the Agricultural Cooperative Development International ("ACDI"). The three organizations share costs associated with common office space (*i.e.* meeting room, copy room, lunch room, etc.) on a rate based on each organization's total occupied square footage in the building. A fourth tenant of the building, Volunteers in Oversees Cooperative Assistance ("VOCA"), bears a proportional share of expenses for one large meeting room. As 501(c)(3) tax-exempt organizations, neither ACDI nor VOCA is eligible to have a PAC.

^{10/} The receptionist is formally an employee of NCFC but FCC reimburses NCFC for a portion of her salary. See Note 6, supra.

The second consideration is the degree of overlapping membership between the two organizations. Specifically, certain District Councils that make up FCC's voting membership have among their members Farm Credit Banks who are themselves members of NCFC. The District Councils that make up FCC's membership represent approximately 230 Farm Credit System organizations. Of those 230 organizations, only seven are Farm Credit System Banks that are voting members of NCFC. Currently, NCFC has approximately 80 voting members. Thus, to the extent that there is overlapping voting membership of FCC and NCFC, it is clearly de minimis, and not the sort of "heavily overlapping membership" that the Commission has found significant in the past. See Advisory Opinion 1994-19, Fed. Election Camp. Fin. Guide (CCH) ¶ 6120 (1994) (almost entirely overlapping membership found significant in determining that PACs were affiliated).

Any remaining connection between the two organizations results from their mutual focus on agricultural issues. Because of their common focus on issues, it is possible that the NCFC Resolutions Committee may consider FCC resolutions and adopt them as its own, as it may do with any other organizations' resolutions, but it is in no way obligated to do so, nor is there any special procedure for NCFC to consider FCC resolutions.^{11/} It is also possible that

^{11/} While there are no special procedures regarding resolutions, FCC customarily forwards its resolutions and NCFC customarily considers them, but neither organization has influence on the other's action.

FCC and NCFC may contribute to the same candidates in the future. However, decisions to support candidates are made independently by each PAC. As indicated above, the two organizations had at one time an affiliation agreement that provided that they would work together to "enhance the political effectiveness and influence of the membership of the [FCC and NCFC]." That agreement has expired and will not be renewed. See Exhibit 3.

Thus, the two organizations have no ability to influence each other's decisions and, to the contrary, make all decisions regarding contributions and expenditures independently. There are no common officers or employees, and there is only minimal overlapping membership. In light of these factors, FCC wishes to know whether its PAC will be treated as disaffiliated, effective January 1, 1997.

We thank you for your time and attention in this matter and look forward to the Commission's response. Please do not hesitate to contact us if you have need for any additional information regarding the issue raised by this Request.

Respectfully submitted,



Jan Witold Baran

THE FARM CREDIT COUNCIL

ARTICLES

OF

INCORPORATION

and

BYLAWS

***Articles of Incorporation
of
The Farm Credit Council***

As last amended on November 2, 1989

**To: The Recorder of Deeds, D.C.
Washington, D.C.**

We, the Class A Members of the Farm Credit Council, adopt the following amended Articles of Incorporation for such corporation pursuant to the District of Columbia Non-profit Corporation Act:

***First:* The name of the corporation is "The Farm Credit Council."**

***Second:* The period of duration of the corporation is perpetual.**

***Third:* The corporation is organized for the purposes of protecting and promoting the interests of the Farm Credit System ("the System"), as defined in the Farm Credit Act of 1971, as amended, and improving business conditions for the System. The operations of the corporation shall be in furtherance of such purposes, including but not limited to the following activities:**

- a. Monitoring and informing members of proposed legislation before federal or state legislative bodies, of proposed actions, policies, rulings, or regulations of any federal or state agency or administrative body, and of any other matters, which may affect the System;**
- b. Presenting the views of its members to federal or state legislators, regulatory officials, other government officials, and the public on matters which may affect the System;**
- c. Providing improved communication among its members and between its members and the public, including the collection of information from and the distribution of information to its members and the public;**

- d. Developing and maintaining appropriate and effective relationships with, and assisting in the formation of, other organizations that have common business interests with the corporation's members and coordinating efforts with such organizations in furtherance of such common business interests;
- e. Helping to identify and address issues affecting the System, including by conducting research, making available information and analysis, identifying potential new products and services, and conducting educational and training programs; and
- f. Other activities to the extent allowed by the District of Columbia Nonprofit Corporation Act, D.C. Code Sec. 29-505, and any successor provision.

Fourth: The corporation has not been formed for pecuniary profit or financial gain, and no part of the assets or earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof.

Fifth: Upon the dissolution of the corporation, the Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of the assets of the corporation in furtherance of the purposes of the corporation, set forth in Article Third hereof. No part of the corporation's assets shall be distributed to or among its members. To the extent that the Directors in their discretion determine that it is not feasible to dispose of the assets of the corporation in furtherance of the purposes described in Article Third hereof, they shall dispose of such assets to one or more organizations organized and operated exclusively for religious, charitable, educational, or scientific purposes as shall at the time qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law). Any assets of the corporation not disposed of by the Directors in accordance with this Article shall be disposed of by the Superior Court of the District of Columbia exclusively to one or more organizations, as said Court shall determine, which at the time qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law).

Sixth: The corporation shall have members. The designation of the classes, if any, the manner of election or appointment, and the qualifications and rights,

including the voting rights, if any, of members shall be as set forth in the Bylaws² of the corporation.

Seventh: The affairs of the corporation shall be managed by a Board of Directors. Except as provided in Article Eighth hereof with respect to the initial Board of Directors, the number, the manner of election or appointment, and the term of office of Directors shall be as set forth in the Bylaws of the corporation; provided, however, that the number of Directors shall not be less than three.

Eighth: The Board of Directors shall consist of at least three Directors, elected as provided in the Bylaws of the corporation.

Ninth: The address of the registered office of the corporation is 1301 Pennsylvania Avenue, N.W. 10th Floor, and the name of its registered agent, whose business office is identical with such registered office, is Warren N. Davis, Esq.

Tenth: These articles may be amended in such manner as provided for in the District of Columbia Nonprofit Corporation Act, as the Act may be amended from time to time.

Date: November 2, 1989

•

***Amended Bylaws
of
The Farm Credit Council¹***

***Article I
Offices***

The principal office of the Corporation shall be located in Washington, D.C. The Corporation may have other offices, either within or without the District of Columbia, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

The Corporation shall have and continuously maintain in the District of Columbia a registered office, and a registered agent whose office is identical with such registered office, as required by the District of Columbia Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the District of Columbia, and the address of the registered office may be changed from time to time by the Board of Directors.

***Article II
Books and Records***

The Corporation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of the Board of Directors and of committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office, a certified copy of the Corporation's Bylaws and a record of the names, addresses, and telephone numbers of all Members and Directors.

***Article III
Members***

Section 1. Classes. There shall be two classes of Members to be known as Class A Members and Class B Members. Any Member that is not an individual shall appoint one individual to represent it for all membership purposes, including

¹ As last amended on August 9, 1994.

attendance at meetings and exercising voting rights, if any; provided, however, that any Class A Member which is authorized, pursuant to these Bylaws, to elect more than one Director shall appoint a number of individuals equal to the number of Directors elected by such Class A Member to the Board of Directors to represent it for all membership purposes, including attendance at meetings, and exercising voting rights, if any.

Section 2. Voting Rights. Except with respect to the election of Directors, Class A Members shall have one vote on all matters with respect to which voting rights are granted to Members by these Bylaws, by the Corporation's Articles of Incorporation, or by law; provided, however, that any Class A Member which is authorized, pursuant to these Bylaws, to elect more than one Director shall have a number of votes on all matters with respect to which voting rights are granted to members equal to the number of Directors elected by such Class A Member to the Board of Directors. Voting rights with respect to the election of Directors shall be as set forth in Article IV, Section 3. In the discretion of the Board of Directors, voting on all matters, including the election of Directors, may be conducted by mail.

Section 3. Qualifications. The organizations that are eligible for Class A membership are: (a) the National Bank for Cooperatives; and (b) any regional or district trade association determined by the Board to have purposes similar to those set forth in Article Third of the Corporation's Articles of Incorporation, whose voting membership is comprised solely of institutions of the Farm Credit System ("the System") chartered under the Farm Credit Act of 1971, as amended, and whose policies and principles are developed with the substantial input of its members. Such entities are hereinafter collectively referred to as the "District Trade Associations." Organizations eligible for Class B membership are: (a) members of any District Trade Association which is a Class A Member of this Corporation; (b) any organization or association that is owned by, or any joint venture of, Class A Members of District Trade Associations that provides services to or on behalf of two or more Class A Members of District Trade Associations; (c) cooperative farm lending institutions; (d) agricultural cooperatives; and (e) individuals or entities that are current borrowers from cooperative farm lending institutions. For purposes of this Section 3, an institution shall be considered to be a cooperative farm lending institution only if its primary business is the extension of credit to, or servicing of loans for, farmers, ranchers, harvesters or producers of aquatic products, or their cooperatives on a cooperative basis.

Section 4. Admission. Applications for membership shall be made in writing to the Board of Directors in such form as the Board shall determine. Applications shall include evidence of appropriate authorization by the applicant's governing

body and a statement that the applicant agrees to be bound by the Corporation's Articles of Incorporation and Bylaws and any rules or regulations adopted by the Board of Directors, all as they may be amended from time to time. The Board of Directors shall review applications for membership to determine whether the applicants satisfy the requirements for membership provided in this Article. Applicants that satisfy the requirements for membership shall become Members upon the payment of dues as provided in Section 5 of this Article.

Section 5. Fees and Dues. Membership dues shall be assessed annually. A prorated amount of dues may be assessed at the time an applicant is determined to be eligible for membership by the Board of Directors. The amount of annual dues shall be as determined each year by the Board of Directors. The amount of dues shall be established separately for each class or subclass of Members. In addition to annual dues, the Board of Directors may from time to time provide for the assessment of supplemental dues as required to cover costs or expenses that exceed the total amount of dues collected. Such supplemental dues may be assessed with respect to any one or more classes or subclasses of Members, as the Board of Directors determines. The amount of such supplemental dues may be different for each class or subclass of Members. Dues may be assessed by formula within a class for purposes of assessment. National Bank for Cooperatives may be considered as a subclass by itself. Fees may be charged to individual members, on a voluntary basis, for particular publications, programs, or other items made available to them.

Section 6. Meetings.

- a. An annual meeting of Class A Members shall, upon notice delivered as set forth in this section, be held in October or at such other time as the Board of Directors shall determine. Any one or more members of the Board of Directors of a Class A Member may attend the annual meeting; provided, however, that each Class A Member, other than as provided in Article III, Section 2, of these Bylaws, shall be entitled to only one vote.
- b. At the annual meeting of Class A Members, the Board of Directors shall report on the activities of the Corporation. Audited financial statements prepared by an independent certified public accountant shall be included in such report or separately mailed to all Class A Members as soon thereafter as practicable.
- c. Special meetings of any one or more classes of Members may be called by the Chairman of the Board of Directors, the President, or the Secretary of the

Corporation. In addition, any four Class A Members may call a special meeting of the Class A Members.

- d. **The Class A Members shall at each annual meeting, and may at any special meeting, consider and approve policies and principles for the guidance of the Corporation consistent with the purposes of the Corporation set forth in Article Third of the Articles of Incorporation. In addition, such other business as may lawfully come before such meetings may be transacted.**
- e. **Except as otherwise provided by these Bylaws, by the Articles of Incorporation, or by law, written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of a meeting of the Members of the Corporation, either personally or by mail, by or at the direction of the President, the Secretary, or the Officers or persons calling the meeting, to each Member entitled to attend such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Corporation, with postage prepaid.**
- f. **Any Member may waive notice of any meeting in writing as provided in Article XI of these Bylaws. A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless the Member attends for the express purpose of objecting because the meeting is not lawfully called or convened.**
- g. **Three-quarters of the Class A Members of the Corporation, represented in person, shall be necessary to constitute a quorum to transact business, except as otherwise required in these Bylaws or by law. Any Class A Member which is authorized, pursuant to these Bylaws, to elect more than one Director, shall be deemed to be represented for the purpose of determining a quorum only if such Member is represented by a number of persons equal to the number elected by such Class A Member to the Board of Directors. The act of three-quarters of the representatives of the Class A Members of the Corporation present and voting shall be the act of the Class A Members unless a greater number is required by these Bylaws, by the Articles of Incorporation, or by law.**

Section 7. Informal Action by Class A Members. Any action required to be taken at a meeting of the Class A Members, or any action which may be taken at a meeting of the Class A Members, may be taken without a meeting if a consent in

writing, setting forth the action so taken, shall be signed by the representatives of all of the Class A Members entitled to vote with respect thereto.

Section 8. Withdrawal or Expulsion. Any Member may voluntarily withdraw from membership in the Corporation by giving no less than six months' written notice to the Secretary and paying in full any debts or obligations it may have to the Corporation. The Board of Directors may, by an affirmative vote of not less than three-fourths of the Directors then in office, expel from membership in the Corporation (1) any Member who violates or refuses to comply with any provision of the Corporation's Articles of Incorporation or Bylaws or any rules or regulations adopted by the Board of Directors, or (2) any Member who fails to pay its dues or any fees within 90 days after assessment, provided the Treasurer has mailed written notice of the possibility of expulsion for failure to pay such dues or fees to the Member no less than 30 days and no more than 60 days prior to action by the Board of Directors.

Article IV ***Directors***

Section 1. General. The property, affairs, concerns, and direction of the Corporation shall be vested in, and managed at the discretion of, the Board of Directors.

Section 2. Number, Qualification, Election, and Term.²

- a. The number of Directors who succeed the initial Board of Directors, and at all times thereafter, shall be determined as follows: (1) if the total loan volume (combined in accordance with generally accepted accounting principles) of the Farm Credit System bank(s) and associations operating within the territory served by the District Trade Association as of June 30 of the preceding year, as reported by the Federal Farm Credit Banks Funding Corporation ("Funding Corporation"), was less than \$6 billion, the District Trade Association shall be entitled to elect two Directors; (2) if the total loan volume (combined in accordance with generally accepted accounting principles) of the Farm Credit System bank(s) and associations operating within the territory served by the District Trade Association as of June 30 of the preceding year, as reported by the Funding Corporation, was \$6 billion or more but less than \$12 billion, the District Trade Association shall be entitled

² As amended effective January 1995.

5

to elect three Directors; and (3) if the total loan volume (combined in accordance with generally accepted accounting principles) of the Farm Credit System bank(s) and associations operating within the territory served by the District Trade Association as of June 30 of the preceding year, as reported by the Funding Corporation, was \$12 billion or more, the District Trade Association shall be entitled to elect four directors. Any adjustment in the number of Directors a District Trade Association is entitled to elect due to a change in the total loan volume of the Farm Credit System bank(s) and associations operating within the territory served by the District Trade Association shall be effective at the next annual meeting of the Board of Directors following the June 30 computation date.

- b. If a District Trade Association chooses to elect fewer than the number of Directors it is entitled to elect, the Director or Directors elected by such District Trade Association shall each be entitled to cast only one vote on all matters coming before the Board for a vote.
- c. Each District Trade Association shall be entitled to elect, in a manner of its own choosing, the individuals who serve as Directors of the Corporation; provided, however, that one Director elected by each District Trade Association may be a sitting member of the board of directors of a Farm Credit System association that is a voting member of the District Trade Association; further provided, that except to the extent a District Trade Association chooses to elect one Director who is a sitting member of the board of directors of a Farm Credit System association, each Director elected by a District Trade Association must be a director of a bank that is chartered under the Farm Credit Act of 1971, as amended, and operated within the territory served by the District Trade Association; further provided, that one Director elected by a District Trade Association whose voting membership includes a bank for cooperatives must be a sitting member of the board of directors of the bank for cooperatives. In the event that a Director during his or her term in office ceases to be a director of a Farm Credit System bank or association, as the case may be, he or she shall cease to serve as a Director of the Corporation.
- d. Except as provided herein, and except as may be otherwise provided by the Board of Directors to allow for staggered terms, each Director shall serve for three years or until his or her successor shall have been elected and qualified. Any Director may be reelected an indefinite number of times.

Section 3. Chairman and Vice Chairman.

- a. The Directors shall elect one Director to serve as Chairman of the Board of Directors. The Chairman shall preside at all meetings of the Board, shall coordinate and direct the activities of the Board, and shall perform such other duties as provided in the Bylaws or as the Board may from time to time determine. A Vice Chairman shall also be elected from among the Directors and shall exercise the functions of the Chairman during the Chairman's absence or disability. The Vice Chairman shall have such other duties as assigned to him or her from time to time by the Board.
- b. The Chairman and Vice Chairman shall be elected by the Board of Directors for a term of one year. The election of the Chairman and the Vice Chairman shall be held at the annual meeting of the Board of Directors.
- c. The Chairman and the Vice Chairman may be removed from such offices by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby.
- d. Any vacancy in the office of Chairman or Vice Chairman by reason of death, resignation, or otherwise, shall be filled by the Board of Directors at their next meeting for the unexpired portion of the term.

Section 4. Meetings.

- a. Regular meetings of the Board of Directors shall be held at such time and place, within or without the District of Columbia, as the Board of Directors shall direct. In the absence of any such direction prior to the holding of any meeting, all such meetings shall be held at the principal office of the Corporation in Washington, D.C.
- b. An annual meeting of the Board of Directors shall, upon notice delivered as set forth in Section 4(d) of this Article, be held in January or at such other time as the Board of Directors shall determine.
- c. Special meetings of the Board of Directors may be called at the request of the Chairman of the Board, the President of the Corporation, or any three Directors. The place, either within or without the District of Columbia, date, and time for holding a special meeting of the Board so requested shall be established by the Chairman of the Board.

- d. Notice of the annual meeting of the Board of Directors shall be given at least seven days previously thereto and notice of any special meetings of the Board of Directors shall be given at least three days previously thereto, by Notice delivered in writing or by telephone to each Director at his or her address or telephone number as shown in the records of the Corporation. Neither the business to be transacted nor the purpose of any meeting of the Board need be specified in the Notice (or Waiver of Notice) of such meeting except in the following cases:

The removal of Directors;

The removal or election of the Chairman, Vice Chairman, or President;

Amendments to the Bylaws;

Amendments to the Articles of Incorporation.

- e. Any Director may waive notice of any meeting in writing as provided in Article XI of these Bylaws. The attendance of a Director at any meeting shall constitute waiver of notice of said meeting except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- f. A majority of the Directors then in office shall be necessary to constitute a quorum to transact business, except as otherwise provided in these Bylaws or required by law. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting without further notice from time to time until a quorum shall have been obtained. Directors may not participate in [sic] or vote by proxy at any meeting of the Board, and no proxy shall be deemed to constitute attendance for the purpose of constituting a quorum at any such meeting.
- g. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by these Bylaws, by the Articles of Incorporation, or by law.

Section 5. Removal and Vacancies.

- a. A Director may be removed at any time by the Class A Member who elected the Director.

- b. Any vacancy occurring on the Board of Directors by reason of a Director's removal, resignation, or death, or otherwise shall be filled by election by the Class A Member who originally elected such Director. A Director elected to fill such a vacancy shall serve for the unexpired portion of the term of his or her predecessor. Any vacancy occurring on the Board of Directors by reason of an increase in the number of Directors due to an increase in the number of Class A Members shall be filled by election by the new Class A Member or Members in the same manner as provided for the regular election of Directors in Section 3 of this Article.

Section 6. Compensation. Directors may, pursuant to a resolution of the Board, receive reasonable compensation for their services and reimbursement of reasonable expenses incurred in attending meetings or otherwise performing services for the Corporation.

Section 7. Informal Action by the Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

Section 8. Committees.

- a. Committees of two or more Directors may be designated by resolution passed by [a] majority of Directors then in office and the Board of Directors may delegate to such committees such duties and powers from time to time as it shall deem necessary or desirable.
- b. Committees not having or exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting of the Board of Directors at which a quorum is present. The members of such committees may include individuals who are not Directors. Committees composed of representatives from Class A and Class B Members may be appointed for the purposes of advising the Board on the affairs, concerns, and direction of the Corporation.

Article V

Officers

Section 1. Number. The Officers of the Corporation shall be a President, a Secretary, and a Treasurer and such other Officers as the Board of Directors may deem necessary. Any person may hold two or more offices except that no person shall hold the offices of President and Secretary simultaneously.

Section 2. Election and Term of Office. The President shall be elected by and serve at the pleasure of the Board of Directors. All other Officers of the Corporation shall be appointed by and serve at the pleasure of the President. New offices may be created at any meeting of the Board of Directors. Each Officer shall hold office until the Officer's successor shall have been duly elected or appointed.

Section 3. Duties.

- a. The President shall be the chief executive officer of the Corporation, shall have active management of the affairs of the Corporation, shall have control of and provide direction to other Officers and employees of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall, before the annual meeting of the Board of Directors, submit to the Directors a written report on the condition and activities of the Corporation. The President shall render to the Board of Directors or any committee of the Board of Directors, upon request, progress reports on the condition and activities of the Corporation and shall make informal progress reports at meetings of the Board of Directors, and shall call to the attention of the Directors any matter requiring their action or notice. The President, in consultation with the Treasurer, shall prepare an annual budget and present such budget to the Board. The President shall perform such other duties as are incident to his or her office or properly required of him or her by law or by the Board of Directors.
- b. The Secretary shall keep the minutes of the meetings of the Board of Directors, of any committee of the Board of Directors, and of the Members, in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Corporation's records and of the Seal of the Corporation and see that the Seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its Seal is duly authorized in accordance with the provisions of these Bylaws or is required by law; keep a register of the address and telephone number of each Member and Director, which shall be furnished to the Secretary by each

Member and Director; and in general perform all duties incident to the Office of Secretary and such other duties as are from time to time assigned by the Board of Directors or the President.

- c. **The Treasurer shall be subject to such regulations as may from time to time be promulgated by the Board of Directors, and shall have the care and custody of the general funds, securities, properties, and assets of the Corporation. The Treasurer shall deposit the funds and securities in his or her care in such bank or banks, trust companies, or depositories as the Board of Directors shall designate, and shall, subject to the direction of the President, disburse and dispose of the same taking proper voucher for such disbursements. He or she shall keep accurate books of account, recording therein the amount of all moneys, funds, securities, properties and assets in his or her custody, showing at all times the amount of all the property belonging to the Corporation, wherever located, and showing the amount of disbursements made and the disposition of properties. He or she shall exhibit said books and records when required by the Board of Directors, any committee of the Board of Directors, or the President. He or she shall, before the annual meeting of the Board of Directors, submit to the Directors, a written report of property, receipts, and disbursements of the Corporation, and of the financial condition of the Corporation. The Treasurer shall render to the Board of Directors, any committee of the Board of Directors, or the President, upon request, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. In addition, the Treasurer shall perform all duties incident to the Office of Treasurer and such other duties as are from time to time assigned by the Board of Directors or the President.**

The Treasurer shall furnish a bond in such form and with such sureties as are satisfactory to the Board of Directors for the faithful performance of duties of his or her office, and for the restoration to the Corporation, in case of his or her death, resignation, retirement, or removal from office, of all books, papers, vouchers, moneys, and other properties and assets of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 4. Salaries. The salary of the President of the Corporation shall be fixed by the Board of Directors. Salaries of all other Officers of the Corporation shall be fixed by the President.

Article VI ***Policies and Principles***

Section 1. Definition. The term "policies and principles" as used in these Bylaws shall be construed to include statements or declarations of the Corporation's positions on subjects with respect to which publicity would customarily be given and representations made in the normal course of business on behalf of the Corporation and its members to any branch of the government or to other organizations or persons outside the Corporation for the purpose of influencing action in implementation of the stated positions. "Policies and principles" shall not be construed to include matters of internal management of the business or affairs of the Corporation which are reserved unto the Board of Directors as provided at Article IV, Section 1, of these Bylaws.

Section 2. Effective Term. Whether adopted by the Class A Members or the Board of Directors, all policies and principles shall continue in effect only until the third annual meeting following their adoption unless earlier revoked or amended by the Class A Members at a special meeting of the Class A Members. At the third annual meeting following their adoption, all policies and principles of the Corporation shall be reviewed and shall cease to be in effect unless reaffirmed or readopted in amended form in accord with Article III, Section 6, of these Bylaws. Further, at a meeting of the Board at which three-quarters of the Class A Members are represented, the Board of Directors may adopt, upon the affirmative vote of three-quarters of its members present and voting, additional policies and principles consistent with the purposes of the Corporation as set forth in Article Third of the Articles of Incorporation. Any Class A Member which is authorized, pursuant to these Bylaws, to elect more than one Director shall be deemed to be represented for the purpose of determining a quorum only if such Member is represented by a number of persons equal to the number elected by such Class A Member to the Board of Directors.

Article VII ***Contracts, Checks, Deposits, and Funds***

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, Agent or Agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or defined in specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, Agent or Agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer. Any individual authorized to sign such instruments shall, if required by the Board of Directors, furnish a bond such as that described in Article V, Section 3(c), of these Bylaws.

Article VIII

Fiscal Year

The Fiscal Year of the Corporation shall be the calendar year.

Article IX

Liquidation

Upon liquidation or cessation of the activities of the Corporation, the Board of Directors shall determine by a majority vote of the Directors then in office the manner in which the property and assets of the Corporation are to be distributed in accordance with Article Fifth of the Articles of Incorporation.

Article X

Indemnification of Directors, Officers, Employees and Agents

Section 1. Indemnification.

- a. The Corporation shall indemnify any Director, officer or employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director, officer or employee of the Corporation, or is or was serving, pursuant to authorization in writing by the Corporation's Board of Directors or its President or his or her delegate, as a director, officer, employee, partner, agent, administrator, advisor, fiduciary or member of another corporation, non-profit or cooperative organization,

partnership, unincorporated association, joint venture, trust, retirement or other employee benefit plan or other organization or entity, as well as any committee or subcommittee, or other body against expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

- b. The Corporation shall indemnify any Director, officer or employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer or employee of the Corporation, or is or was serving, pursuant to authorization in writing by the Corporation's Board of Directors or its President or his or her delegate, as a director, officer, employee, partner, agent, administrator, advisor, fiduciary or member of another corporation, non-profit or cooperative organization, partnership, unincorporated association, joint venture, trust, retirement or other employee benefit plan or other organization or entity, as well as any committee or subcommittee, or other body against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding, as well as amounts paid in settlement, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and, to the extent of amounts paid in settlement, if settlement was in the best interests of the Corporation; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such Director, officer or employee shall have been finally adjudged to be liable to the Corporation for negligence or misconduct in the performance of his or her duty unless and only to the extent that a court of competent jurisdiction shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall consider proper.
- c. A Director's, officer's or employee's conduct with respect to a retirement or other employee benefit plan is conduct that satisfies the requirement that he or she acted in a manner reasonably believed to be in or not opposed to the best interests of the Corporation if he or she reasonably believed that conduct

to be in the interest of the participants in and beneficiaries of the retirement or other employee benefit plan.

- d. The termination or abatement of a threatened or pending action, suit or proceeding by way of a judgment, order, settlement or conviction, or upon a plea of guilty or of nolo contendere or its equivalent, is not, of itself, determinative that the Director, officer or employee did not meet the standard of conduct described in this section.
- e. The Corporation may indemnify any agent of the Corporation to the same extent as, and under the same provision applicable to, Directors, officers and employees, but only by specific action of and to the extent designated by the Board.
- f. Notwithstanding the provisions of Section 1 of this Article, any director, officer or employee of the Corporation, serving as a representative of the Corporation, on any committee, workgroup or similar body established by the Farm Credit System, shall be deemed to be doing so pursuant to authorization in writing by the Corporation's Board of Directors or its President or his or her delegate.
- g. As used in this Article, "party" means a defendant or respondent in an action, suit or proceeding.

Section 2. Additional Indemnification Provisions. Notwithstanding any other provision of this Article X, a Director, officer or employee of the Corporation who has been wholly successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 1 of this Article X to which he or she was a party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

Section 3. Procedure. Any indemnification under Section 1 of this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer or employee is proper in the circumstances because he or she has met the applicable standard set forth in Section 1 of this Article X. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable (or, even if obtainable, a quorum of disinterested Directors so directs), by independent legal counsel in a written opinion. For the purposes of this Section 3, independent legal counsel shall be selected by a

quorum of disinterested directors or, if such a quorum is not obtainable, by the Board.

Section 4. Advances of Expenses. Notwithstanding the provisions of Section 3 of this Article X, reasonable expenses incurred in defending any action, suit or proceeding referred to in Section 1 of this Article X shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding if the Director, officer or employee shall undertake in writing to repay such amount in the event that it is ultimately determined, as provided in this Article X, that such person is not entitled to indemnification. Advances of expenses shall be made promptly, and, in any event, within thirty days, upon the written request of the Director, officer or employee. Notwithstanding the foregoing, no advance shall be made by the Corporation if the determination is reasonably made at any time by the Board by a majority vote of a quorum of disinterested Directors or, (if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested Directors so directs,) by independent legal counsel (selected as provided in Section 3) in a written opinion, that, based upon the facts known to the Board or counsel at the time such determination is made, such person acted in bad faith and in a manner opposed to the best interests of the Corporation, or such person deliberately breached his or her duty to the Corporation or its members, or, with respect to any criminal proceeding, that such person believed or had reasonable cause to believe his or her conduct was unlawful.

Section 5. Other Rights. The indemnification and advancement of expenses provided by this Article X (a) shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any insurance or other agreement, vote of members or Directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding such office, (b) shall continue as to a person who has ceased to be a Director, officer or employee, and (c) shall inure to the benefit of the heirs, executors and administrators of such person. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving in any of the capacities referred to in Section 1 of this Article X, against any liability asserted against him or her or incurred by him or her in any such capacity arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provision of this Article X.

Article XI

Waiver of Notice

Whenever any notice is required to be given under the provisions of the District of Columbia Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time at which such notice is required or the time of the event to which such notice would have pertained, shall be deemed equivalent to the giving of such notice.

Article XII

Seal

The Board of Directors shall provide a corporate Seal which shall be in whatever form deemed appropriate by the Board.

Article XIII

Amendment of Bylaws

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of three-quarters of the Directors then in office at any regular or special meeting at which three-quarters of the Class A Members are present and with respect to which notice of intention to alter, amend, repeal, or adopt new Bylaws at such meeting has been given. Any Class A Member which is authorized, pursuant to these Bylaws, to elect more than one Director, shall be deemed to be represented for the purpose of determining a quorum, only if such Member is represented by a number of Directors equal to the number elected by such Class A Member to the Board of Directors. The notice shall specify the type of change proposed.

BYLAWS
OF THE
NATIONAL COUNCIL OF FARMER COOPERATIVES

(Adopted at Council Membership Meeting, January 19, 1965)
(As Amended June 10, 1992)

Article I -- Name

Section 1. The name of the association shall be National Council of Farmer Cooperatives.

Article II -- Purposes

Section 1. The purposes of this association shall be to promote the interests of cooperative business organizations of farmers in the United States by serving as a medium for developing understanding and mutual helpfulness among agricultural cooperatives and the farmers who own and control them, formulating and advocating policies of common benefit to farmers and their cooperatives, by representing the best interest of the member cooperatives in their relationship with all branches of the government, furthering an understanding of cooperatives by the general public, and fostering a climate for cooperative growth.

Section 2. The purpose of this association shall also be to teach, promote research and disseminate information relating to the science of cooperation, with particular reference to the economic, sociological and legal phases thereof; to coordinate the educational and informational programs of other organizations engaged in the promotion of cooperation; to act as a clearinghouse in the collection and exchange of such information; to acquaint and interest young people in the science of cooperation; to stimulate and assist cooperative enterprises in obtaining and carrying out effective representation in national organizations which in any way can contribute to a better understanding of the place of agricultural cooperatives in our society.

Article III -- Membership

Section 1. Eligibility of Agricultural Cooperatives. Any agricultural "cooperative association" as defined in Section 15(a) of the Agricultural Marketing Act, approved June 15, 1929, as amended (49 Stat. 317, 12 USCA 1141j (a)) or a federation of two or more such "cooperative associations" is eligible for membership in the Council.

Section 2. Eligibility of State Cooperative Councils. Any state cooperative council, corporate or otherwise, organized and functioning as an educational, legislative, or service organization for the encouragement of agricultural cooperative associations, and their farmer-members, affiliated with such state council, is also eligible for membership in the Council.

Section 3. Eligibility of Farm Credit System Institutions. The National Bank for Cooperatives, the District Banks for Cooperatives, and the Farm Credit Bank in any District are eligible for membership in the Council. The District Banks for Cooperatives may elect to hold separate membership or may elect to be treated as part of a unit with the Farm Credit Bank from their respective District.

Section 4. Classification; Election to Membership. Members of the Council shall be assigned by the President, subject to ratification by the Board of Directors at the next regular or special meeting, to the District established by these bylaws, as provided in Article VIII, Section 2 of these bylaws in which is located the members' headquarters office provided, however, that in those cases where a member operates in more than one District it may be assigned to the District of its preference as requested in writing addressed to the President.

Any applicant eligible for membership under these bylaws, on making written application therefor, may be elected to membership. Such election may be by mail ballot wherein three-fourths of the members of the whole Board of Directors submit ballots favoring election of the applicant or at a regular or special meeting of the Board at which three-fourths of the Directors present vote for election of the applicant to membership. In the event the election is conducted by mail ballot, the President shall submit to all Directors in referring the application for their action, a summary of information concerning the organization, membership, management and type of operations of the applicant.

Section 5. Dues. Membership dues to this organization by agricultural "cooperative associations" or a federation of such associations as described in Article III, Section 1, of these bylaws, shall be payable quarterly in advance on a scale approved by three-fourths of the delegates representing such associations present at a regular or special meeting.

The determination of a portion of the dues for such member organizations shall be based on a certain definite amount for the first million dollars, or fraction thereof, of the gross sales or purchases at shipping point and an additional amount for each additional million dollars or fraction thereof. The scale once established for agricultural "cooperative associations" shall remain in effect until changed in the manner provided in this section for the establishment of dues for such associations. The remaining portion shall be based upon the net assets and net worth of each organization.

In the case of a federation of two or more marketing associations, the portion of membership dues based on sales shall be payable on the basis of gross sales at shipping point, exclusive of business done with or for the account of Council members that are members of the federation, provided, however, that the Board of Directors may require the payment of minimum dues by each organization described in Article III, Section 1 of these bylaws.

The membership dues for state cooperative councils, as described in Article III, Section 2 of these bylaws, shall be determined by the Board of Directors.

The membership dues of the Farm Credit System Institutions, as described in Article III, Section 3 of these bylaws, shall be determined by the Board of Directors.

The membership dues of a livestock marketing association shall be determined by the Board of Directors.

To the extent that dues income is insufficient to cover expenses approved by the Board, after taking into account any adjustment for reserves, dues for each organization shall be modified proportionately to cover budgeted expenses.

Article IV -- Associate Membership

Section 1. Eligibility. Any local cooperative affiliated with a member of this association as described in Article III, Section 1 of these bylaws, any subsidiary in which any such member or members hold a controlling interest, and any agribusiness organization owned or controlled by farmers, which previously held membership in this association as a farmer cooperative prior to reorganization, shall be eligible for associate membership in the Council. Applicants for associate membership shall make written application and be elected to associate membership in the same manner described in Article III, Section 4 pertaining to election of full members. Associate members shall not be considered full members of the Council but shall be entitled to receive member communications,

attend meetings and serve on policy committees. Associate members shall not be eligible to serve as officers, directors or official delegates of the Council.

Section 2. Dues. Associate membership dues to this association shall be computed according to the dues scale described in Article III, Section 5 except that:

- a. local cooperatives shall pay at the rate of 50 percent of the regular dues formula for full members,
- b. subsidiaries shall pay on the basis of the lowest marginal rate that applies to each parent cooperative member of NCFC, adjusted by such member's percentage ownership in the subsidiary.
- c. agribusiness organizations shall pay at the rate of 75 percent of the regular dues formula for full members.

Article V -- Supporting Membership

Section 1. Eligibility. Any local cooperative affiliated with a member of this association as described in Article III, Section 1, and any other organization which supports the purposes of this association as expressed in Article II, Section 2 of these bylaws but which does not meet the requirements of Article III, shall be eligible for supporting membership in the Council upon approval of the Executive Committee. Supporting members shall be eligible to serve on the NCFC Education Committee but shall not be eligible to serve on NCFC policy committees other than the NCFC Education Committee and shall not be eligible to serve as officers, directors or official delegates to the Council.

Section 2. Dues. Membership dues of supporting members shall be determined by the Board of Directors.

Article VI -- Contributors

Section 1. Eligibility. Any organization which supports the purpose of this association, but does not meet the requirements of Articles III, IV or V of these bylaws, shall be eligible to become an NCFC contributor upon approval by the Executive Committee. The minimum annual contribution level shall be determined by the Board of Directors. The Board of Directors may also establish a higher contribution level which will entitle a contributor to be designated as a sponsoring member. Contributors, including those designated as sponsoring members, shall be entitled to receive NCFC

membership communications but shall not be eligible to serve on NCFC policy committees and shall not be eligible to serve as officers, directors, or official delegates of this association.

Article VII -- Withdrawal

Section 1. Members, associate members, or supporting members may withdraw from the Council at any time by notice in writing to the Chairman of the Board or President of the Council, provided the dues of the withdrawing organization are paid for the current fiscal year. Any membership may be terminated by a three-fourths vote of the Board of Directors of the Council who are present at a regular or special meeting of the Board, after thirty (30) days' notice of such contemplated action and opportunity to present an oral or written statement to the Board.

Article VIII -- Meetings

Section 1. Annual Meeting. The regular annual meeting of the Council shall be held at such time and place as the Board of Directors shall determine. Not less than thirty (30) nor more than forty (40) days' written or printed notice of the time and place of the annual meeting shall be given, either personally or by mail by the President or Secretary, to each member of the Council.

Section 2. Districts. For purposes of nominating Directors and for such other purposes as may be determined from time to time by the Board of Directors not inconsistent with law, the Articles of Incorporation or these bylaws, there are established the following Districts:

DISTRICT 1 --	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont
DISTRICT 2 --	Delaware, District of Columbia, Maryland, Pennsylvania, Puerto Rico, Virginia, West Virginia
DISTRICT 3 --	Florida, Georgia, North Carolina, South Carolina
DISTRICT 4 --	Indiana, Kentucky, Ohio, Tennessee
DISTRICT 5 --	Alabama, Louisiana, Mississippi
DISTRICT 6 --	Arkansas, Illinois, Missouri
DISTRICT 7 --	Michigan, Minnesota, North Dakota, Wisconsin

DISTRICT 8 --	Iowa, Nebraska, South Dakota, Wyoming
DISTRICT 9 --	Colorado, Kansas, New Mexico, Oklahoma, Texas
DISTRICT 10 --	Arizona, California, Hawaii, Nevada, Utah
DISTRICT 11 --	Alaska, Idaho, Montana, Oregon, Washington

Each member shall be assigned by the President subject to ratification by the Board of Directors at the next regular or special meeting to the appropriate District, as provided in Article III, Section 4 of these bylaws. At least 60 days prior to the close of Council's fiscal year, the President of the Council shall send to each Council member, as described in Article III, Section 1 of these bylaws, a questionnaire returnable within 30 days for information including gross dollar volume of member's total business for its last fiscal year. The questionnaire shall also contain the name of the person or persons designated by the member to be its official delegate and alternate for the succeeding year.

The President shall also send to each Council member, as described in Article III, Section 3 of these bylaws, at least 60 days prior to the close of the Council's fiscal year, a questionnaire returnable within 30 days, for information as to its official Council delegate and alternate for the succeeding year.

The President shall also send to each state cooperative council, at least 60 days prior to the close of the Council's fiscal year, a questionnaire returnable within 30 days, for information as to its official Council representative for the succeeding year. Such representative shall be entitled to attend and speak but not vote at regular and special meetings of the members of the Council. Such representative shall be entitled to vote at District caucuses for nomination of Directors and on other matters acted on by members of the District.

Section 3. Voting; Quorum. At all meetings of members, each member entitled to vote shall have one vote on all matters properly before the meeting, such vote to be cast by the member's duly appointed official delegate, or in his absence by the member's duly appointed alternate. The presence of the official delegates or alternates representing at least twenty-five percent of the members entitled to vote shall be necessary to constitute a quorum for the transaction of business at all membership meetings. The affirmative vote of three-fourths of the votes entitled to be cast by the members represented at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless the matter is one which by express

provision of law, the Articles of Incorporation or these bylaws requires a greater proportion, in which event such express provisions shall control the decision in such matter.

Section 4. Policies. At each regular annual or special meeting of the members, policies consistent with the purposes and objectives of the Council as set forth in the Articles of Incorporation and these bylaws may be established by the members. In addition, such other business as may lawfully come before such meetings may be transacted. A policy adopted at any regular or special meeting of the Council shall remain a policy for a period of five years following its adoption unless amended or revoked prior to the expiration of such period by action of the members. Upon the expiration of five years following adoption, such policy shall cease to be in effect unless reaffirmed or readopted in amended form.

The term "policies" as used in this section shall be construed to include statements or declarations of the Council's position on subjects with respect to which publicity would customarily be given and representations made in the normal course of business on behalf of the Council to any branch of the government or to other organizations or persons outside the Council for the purpose of influencing action in implementation of the stated positions. "Policies" under this section shall not be construed to include matters of internal management or administration of the affairs of the Council.

Section 5. Special Meetings. Special meetings of the Council may be called by the Chairman of the Board at such time as he may deem advisable for promoting the work of the Council, and a special meeting of the Council must be called by the Chairman of the Board whenever requested in writing by a majority of the Directors of the Council or whenever requested in writing by members having twenty-five percent of the votes entitled to be cast. Notices of all special meetings shall state the purpose or purposes for which such meetings are called. Not less than ten (10) nor more than forty (40) days' written or printed notice of the time and place of any special meeting shall be given, either personally or by mail, by the President or Secretary to each member of the Council.

Article IX -- Board of Directors

Section 1. Power and Qualifications. The affairs of this Council shall be managed by a Board of Directors, fifty-one in number, who shall have and may exercise all powers and duties not expressly reserved to the members by law, the Articles of Incorporation or these bylaws. Of such fifty-one directors, fifty shall be elected in the manner described in Section 4 of this Article and one shall be appointed as described in Section 5 of this Article. The Board shall have the power to act on behalf of

the Council in all matters not in conflict with policies adopted by the membership of the Council. Farmer members, appointed or elected officers, or other personnel of organizations which are members of the Council shall be eligible to serve as elected Council Directors.

Section 2. Meetings. The regular annual meeting of the Board of Directors shall be held during the time of the regular annual meeting of the Council.

Special meetings of the Board of Directors may be called by the Chairman of the Board at such times as he may deem advisable for promoting the work of the Council, and a special meeting of the Board of Directors must be called by the Chairman of the Board whenever a majority of the Directors in writing so requests. At least ten (10) days' notice shall be given by mail or telegram by the President or Secretary of all such special meetings of the Board.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except as provided in Article XIII, Section 1, concerning amendments to the bylaws.

Section 3. Voting; Quorum. In any regular or special meeting of the Board, each Director shall be entitled to one vote on each matter submitted to a vote by the Board. The presence of a majority of the whole Board of Directors shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors unless a greater proportion is required by law, by the Articles of Incorporation or by these bylaws. Any action related to the Council's position on subjects with respect to which publicity would customarily be given and representations made in the normal course of business on behalf of the Council to any branch of the government or to other organizations or persons outside the Council for the purpose of influencing action in implementation of the stated positions shall require the act of three-fourths of the Directors present at any meeting at which a quorum is present.

Section 4. Election of Directors. The members at each regular annual meeting shall elect fifty members of the Board of Directors from nominations made by each District from among their own members. Each District shall be entitled to nominate and the members shall elect from each District the number of Directors which bears the same ratio to fifty members as the dues paid or payable to the Council for the preceding Council year by the members of each District bears to the total dues paid or payable by all members to the Council for such year, provided, however, that each District shall be entitled to nominate and the members shall

elect at least one member of the Board from each District. In addition, each District may elect a first, second and third alternate Director to serve at Board meetings in the absence of any member of the Board from that District, exercising the same rights and duties as the absent member would exercise. Each District may adopt a plan for the time and manner for nominating its Directors provided that the plan is adopted by at least a majority of all the members of the District. In the absence of the adoption by the District of a plan for nomination of Directors, an annual caucus for such purpose shall be held at the time of the Council annual meeting.

If a majority of the members in a District requests to caucus or to convene the District for the reconsideration of a plan for District nominating procedures, the District caucus chairman shall comply with such request, provided at least 15 days' written notice is given to the caucus chairman and other members in the District signed by each member making the request. In the event such request is not met prior to the Council's annual meeting, the District shall caucus at the time of the Council's annual meeting.

Each elected Director shall serve for a term which includes two regular annual meetings of the Council or until his successor has been elected. Any vacancy involving an elected Director shall be filled for the balance of the unexpired term by the Board of Directors from the nomination or nominations made and certified by the District whose representation on the Board is affected by such vacancy. If no such nomination is made, then the vacancy shall remain unfilled until the next regular annual meeting of the Council.

Section 5. Appointment of Director. Agricultural Cooperative Development International shall provide a qualified member from its Board to serve on the NCFC Board of Directors.

Article X -- Committees

Section 1. Method of Selection and Powers. The Board of Directors may by resolution adopted by a majority of the Directors in office designate one or more committees, and elect the members thereof, each of which shall consist of such number of Directors, not less than three, as the Board may determine. Such committee, or committees, shall have and may exercise the authority of the Board of Directors in the management of this association to the extent provided in said resolution, in the Articles of Incorporation or in the bylaws. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

Other committees, not having and exercising the authority of the Board of Directors in the management of the association, may be designated by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. The appointment of the membership of such other committees is vested in the Chairman of the Board of the Council. Such committees shall be composed of employees, officials, or other persons affiliated with Council members but are not required to be members of the Board.

Section 2. Nominating Committee. The Board of Directors shall, at the first meeting following each annual meeting of the Council, after reviewing the membership of past Nominating Committees, elect the members of a Nominating Committee from the membership of the Board to present nominations to the membership of the Council and Board of Directors at the next regular annual meeting for offices to be filled as provided for in these bylaws. The Nominating Committee shall serve for one year or until a new Nominating Committee is elected.

Each member of the Nominating Committee shall represent his District as caucus chairman for the conduct of election of nominees to the Board of Directors. Caucus chairmen shall be responsible for carrying out, in consultation with the President of the Council, the provisions of Article IX, Section 4 with respect to the caucus or other plan for the selection of nominees for the Board of Directors.

Section 3. Executive Committee. There shall be an Executive Committee composed of the Chairman of the Board, the Vice Chairmen, the most recent Past Chairman currently serving on the Board, and the Chairman of the Budget and Audit Committee.

The Executive Committee shall meet at the call of the Chairman of the Board. The Executive Committee shall have charge of the direction of the business and affairs of the Council in the interim between meetings of the Directors. The Executive Committee shall at all times act under the direction and control of the Board of Directors and shall report any actions to the Board no later than its next meeting. Such reports shall form a part of the permanent records of the Council.

Article XI -- Special Provisions

Section 1. Policy Action by Board of Directors. Any action on a matter of policy by the Board of Directors may be amended or revoked at the next annual or special meeting of the members of the Council.

Section 2. Designation of Official Representatives. Each member organization of the Council entitled to vote at membership meetings shall annually appoint a representative who may be a farmer member, an appointed or elected officer, or other personnel of its organization to be its representative in the Council and who shall represent, vote and act for the member as provided in these bylaws in the affairs of the Council as members' official delegate and an alternate having the same qualifications as the official delegate who shall have full power and authority to act for the official delegate when the latter is absent or unavailable.

The name of the official delegate and his alternate shall be designated and certified on forms furnished members at least 60 days prior to the close of the Council's fiscal year by the President of the Council, returnable within 30 days. The representatives so designated shall serve at the next regular annual meeting and until their successors have been duly designated and certified to the President of the Council.

Each state cooperative council which is a member of the Council shall similarly designate and report annually the name of its representative who shall be its official Council representative for the succeeding year.

Article XII -- Officers

Section 1. Election; Duties. The Board of Directors at each annual meeting shall elect a Chairman, three Vice-Chairmen, a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time deem advisable. The Chairman of the Board and Vice-Chairmen shall be elected from among members of the Board of Directors. Automatic succession of Vice-Chairmen to the position of Chairman shall be neither assumed nor implied. No person may hold the offices of Chairman of the Board and President at the same time. Vice-Presidents, the Secretary, the Treasurer and other staff officers shall be elected by the Board upon recommendation of the President.

Any or all of the offices of the President, Vice-Presidents, Secretary and Treasurer may be combined. In the event a Director shall be elected to a Council office other than Chairman or Vice-Chairman he shall upon such election cease to be a member of the Board, and the vacancy created thereby shall be filled as provided in Article IX, Section 4 of these bylaws. In the event of the death, disability or resignation of the Chairman before his term expires, the Executive Committee shall elect from the Vice-Chairmen, a Chairman who shall serve until the next annual meeting of the Council.

Chairman of the Board. The Chairman of the Board shall preside at all meetings of the members and of the Board of Directors, and it shall be his duty to see that the policies they establish are implemented and that the affairs of the Council are conducted in the best interest of the members. He shall appoint all member committees except the Nominating Committee. In the absence of the Chairman, his duties shall be performed by a Vice-Chairman.

The Chairman of the Board and the President shall consult with each other on matters of major significance.

Vice-Chairmen of the Board. The Vice-Chairmen shall perform the duties of the Chairman of the Board in his absence. The Vice-Chairmen shall perform such other duties as from time to time may be prescribed by the Board or the Chairman.

President. The President shall be the chief executive officer of the Council and shall, subject to the control and direction of the Board of Directors, have general and active management direction and control of the business, officers (other than the Chairman of the Board and any Vice-Chairmen of the Board), and employees of the Council. The President shall conduct the business operations and affairs of the Council in accordance with the policies and directives of the Board of Directors.

The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the association.

Vice-Presidents. The Vice-Presidents shall perform such duties as shall be prescribed by the President.

Secretary. The Secretary shall be responsible for keeping the records of all meetings of the Council. The Secretary shall have the power to affix the corporate seal to any document or instrument requiring the seal, and when so affixed it shall be attested by his signature.

Treasurer. The Treasurer shall have the custody of all funds of the Council and shall receive and disburse the same upon approval of the President. The Treasurer shall perform such other duties pertaining to this office as may be prescribed by the Board of Directors. All checks or demands for money and notes of the association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

All officers shall perform such additional duties as may be assigned to them by the Board of Directors.

Article XIII -- Amendments

Section 1. Method. The power to alter, amend or repeal these bylaws shall be vested in both the membership and the Board of Directors of the Council, except as set forth hereinafter. The exercise of such power shall be effective at a regular or special meeting of the membership or the Board of Directors on the affirmative vote of three-fourths of the votes entitled to be cast by the members or Directors represented at a meeting at which a quorum is present. The power to alter, amend or repeal Article VIII, Section 4 shall be vested only in the membership of the Council.

Notice of not less than thirty (30) days shall be given to the Council membership or Board of Directors by the President or Secretary prior to the holding of any regular or special meeting for the purpose of amending these bylaws, such notice to state the time and place of the meeting and to be accompanied by the text of the proposed amendments, or a summary thereof, to be considered at such meeting.

The President or Secretary shall notify all members within 30 days of any bylaw amendments adopted by the Board of Directors.

Section 2. Bylaws Review. At five-year intervals following the adoption of these bylaws, the Board of Directors shall review and make such changes, if any, in the bylaws as are deemed needed and appropriate. This does not preclude earlier or more frequent review of the bylaws by the Board or changes therein by the membership.



To all to whom these Presents Shall Come, Greeting:

Whereas, Articles of Amendment to the Articles of Incorporation duly signed, and verified by

NATIONAL COUNCIL OF FARMER COOPERATIVES

have been filed in the Office of the Secretary of State on the 1st day of February A.D. 1961, as provided by the "GENERAL NOT FOR PROFIT CORPORATION ACT" of Illinois, approved July 17, 1943, in force January 1, A.D. 1944.

Now Therefore, I, CHARLES F. CARPENTIER, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this Certificate of Amendment, and attach thereto, a copy of the Articles of Amendment to the Articles of Incorporation of the aforesaid corporation.

In Testimony Whereof, I have set my hand and cause to

be affixed the Great Seal of the State of Illinois

Done at the City of Springfield this 1st

day of February AD. 1961 and

of the Independence of the United States

the one hundred and 85th



Charles F. Carpenter

SECRETARY OF STATE

18 076 872

NOTICE TO CORPORATIONS

The certificate of incorporation and all amendments thereto must be recorded in the office of the County Recorder of the County in which the registered office of the corporation is located within 15 days from the issuance thereof.

To Be Filed
in Duplicate
Filing Fee \$~~5.00~~
10.00

FORM NP-A

Date 2-1-61
Filing Fee \$ 1,000
Clerk J.P.

ARTICLES OF AMENDMENT
to the
ARTICLES OF INCORPORATION
under the

GENERAL NOT FOR PROFIT CORPORATION ACT

To CHARLES F. CARPENTIER, Secretary of State, Springfield, Illinois.

The undersigned corporation, for the purpose of amending its Articles of Incorporation and pursuant to the provisions of Section 35 of the "General Not For Profit Corporation Act" of the State of Illinois, hereby executes the following Articles of Amendment:

1. The name of the corporation is: National Council of Farmer Cooperatives
2. There are some members, having voting rights with respect to amendments;
(Insert "no" or "some")

(Strike paragraphs (a), (b), or (c) not applicable)

3. (a) At a meeting of members, at which a quorum was present, held on January 9, 1961, same receiving at least two-thirds (2/3) of the votes entitled to be cast by the members of the corporation present or represented by proxy at such meeting.

~~Any amendment or amendment to any document of the corporation entitled to be filed with the Secretary of State concerning particular business, with respect to which no amendment is made, shall not affect the other parts of the corporation.~~

the following amendment or amendments were adopted in the manner prescribed by the "General Not For Profit Corporation Act" of the State of Illinois:

Article 5, amended to read as follows:

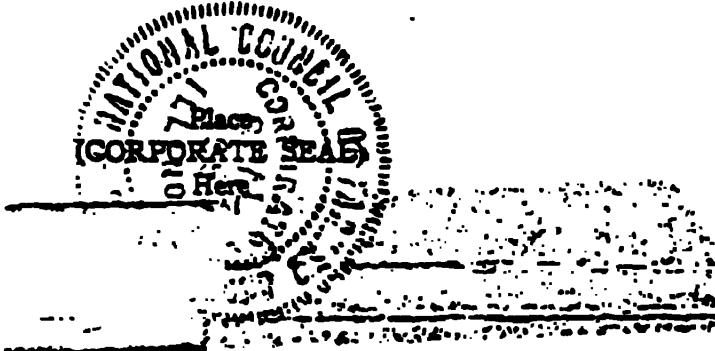
"5. The purpose or purposes for which the corporation is organized, are: To promote the interests of cooperative business organisations of farmers in the United States by serving as a medium for developing understanding and mutual helpfulness among agricultural cooperatives and the farmers who own and control them; and formulating and advocating policies of common benefit to farmers and their cooperatives."

Article 6, amended to read as follows:

"6. The right of the members, or any class or classes of members, to vote may be limited, enlarged or denied to the extent specified in the By-Laws of the corporation."

180769181
180769182

IN WITNESS WHEREOF, the undersigned corporation has caused these Articles of Amendment to be executed in its name by its President, and its Secretary, this 18th day of January 1961



National Council of Farmer Cooperatives
(Name Corporate Title)

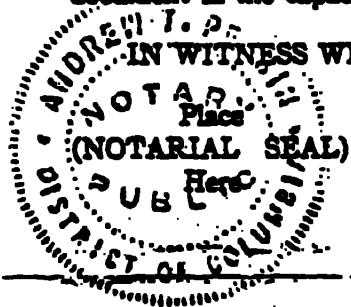
By Howard H. Gordon
Its President

John J. Ringle
Its Secretary

STATE OF District of Columbia
COUNTY OF District of Columbia

I, Andrew T. Pequin, a Notary Public do hereby certify that on the 18th day of January, 1961, John J. Ringle

personally appeared before me and, being first duly sworn by me, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.



FORM NO. 4
FEB 1961

File # 136

ARTICLES OF AMENDMENT
to the

ARTICLES OF INCORPORATION

of

FILED

FEB # 1961

Andrew J. (Signature)
Secretary of _____
State

/4.00
Filing Fee \$4.00

Form No. 4
FEB 1961

243 940 81

7/

Certificate of
Amendment

to the articles of incorporation

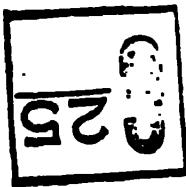
of

STATE OF ILLINOIS,

Office of the

Secretary of State

18076872



62

REC-261 223453 • 18076872-A - REC

1961 FEB 2 PM 2 33

RECEIVED
SECRETARY OF STATE

Certificate Number 3407



To all whom it may concern. Greeting:

Whereas, Articles of Incorporation duly signed and verified of
NATIONAL COUNCIL OF FARMER COOPERATIVES

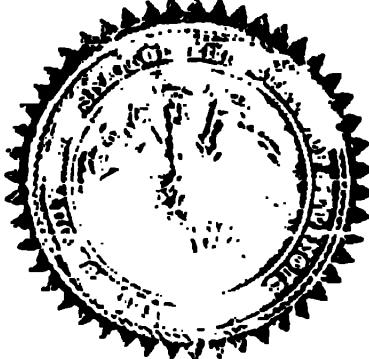
have been filed in the Office of the Secretary of State on the 20th
day of December A.D. 19 54 as provided by the GENERAL NOT
FOR PROFIT CORPORATION ACT of Illinois approved July 17, 1943 in force
January 1, A.D. 1944.

Now Therefore, I, CHARLES F. CARPENTIER, Secretary of State of the State of Illinois
by virtue of the powers vested in me by law, do hereby issue this Certificate of
Incorporation and attach thereto a copy of the Articles of Incorporation
of the aforesaid corporation.

In Testimony Whereof, I have set my hand and cause to
be affixed the Great Seal of the State of Illinois

Done at the City of Springfield this 20th
day of December A.D. 19 54 and
of the Independence of the United States
the one hundred and 79th

Charles F. Carpenter
CHARLES F. CARPENTER
SECRETARY OF STATE



12

FORM NP.1

**ARTICLES OF INCORPORATION
UNDER THE
GENERAL NOT FOR PROFIT CORPORATION ACT**
(These Articles Must Be Filed in Duplicate)

CHARLES F. CARPENTIER
To ~~EDWARD L. PARKER~~, Secretary of State, Springfield, Illinois.

D
F
C

Name	Number	Street
Frank W. Murray		Pr
M. J. Briggs	47 South Pennsylvania St., Ind	
L. K. Marshall		Lod

being natural persons of the age of twenty-one years or more and citizens of the U
forming a corporation under the "General Not For Profit Corporation Act" of the Sta
following Articles of Incorporation:

1. The name of the corporation is: NATIONAL COUNCIL OF FARMERS
2. The period of duration of the corporation is: Perpetual (Please state "perpetual" or a
3. The address of its initial Registered Office in the State of Illinois is: 205 E.
C/O C T Corporation System in the City of Chicago (4) County of
the name of its initial Registered Agent at said address is: C. T. Corporat
4. The first Board of Directors shall be fifty-three in number, their names are
(Not less than three)

Name	Number	Street

See attached sheets

5. The purpose or purposes for which the corporation is organized, are:

To promote the interests of cooper
organizations of farmers in the United States
as a medium for developing bonds of friend
ship and mutual helpfulness among farmers; co;
formulating and advancing policies of co;
affecting agricultural cooperation.

BOOK 2146 PAGE 13

Voting of members and directors shall be by divisions as specifically set out in the By-laws of the corporation.

7. This corporation is not organized for profit and no part of the net earnings shall inure to the benefit of any member or individual.

(NOTE: Any special provision authorized or permitted by Statute to be contained in the Articles of Incorporation, may be inserted above.)

(INCORPORATORS MUST SIGN BELOW)

Frank W. Healey
XX *M. J. Briggs*
XX *J. P. Williamson*

} Incorporators.

ACKNOWLEDGMENT

STATE OF INDIANA
County of MARION

I, Caroline A. Williamson, a Notary Public do hereby certify that on the
24th day of November, 1954, M. J. Briggs
(Names of Incorporators)

personally appeared before me and being first duly sworn by me severally acknowledged that they signed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

PLACE CAROLINE A. WILLIAMSON
(NOTARIAL SEAL) My commission expires Sept. 7, 1958
HERE

Caroline A. Williamson
Notary Public

FORM NP-1
ARTICLES OF INCORPORATION
under the
GENERAL NOT FOR PROFIT
CORPORATION ACT
of

FILED
OCT. 5, 1954
DEC 26 1954

Secretary of State
(These Articles Must Be Executed and Filed
in Duplicate)
Filing Fee \$10.00

BOARD OF DIRECTORS

NAME

ADDRESS

Lorne S. Hamme	Weslaco, Texas
George B. Hodgkin	Box 3486, Terminal Annex Los Angeles 54, California
H. A. Lynn	Box 367 Arlington, California
J. B. Prevatt	Tavares, Florida
D. W. Brooks	Atlanta, Georgia
L. W. Frick	Arvin, California
J. C. Rapp	McGehee, Arkansas
J. S. Sharp	Paris, Texas
Stanley H. Benham	100 Park Avenue New York 17, N. Y.
G. A. Boger	Allentown, Pennsylvania
Robert D. Barker	Hood River, Oregon
Ralph B. Bunje	244 California Street San Francisco, California
W. F. Cosart	Rt. 1, Box 1 Exeter, California
M. J. Briggs	47 South Pennsylvania Street Indianapolis 9, Indiana
Elwood L. Chase	Box 973 Buffalo, New York
Charlie McNeil	Jackson, Mississippi
O. E. Zacheriss, Jr.	Richmond 13, Virginia
George B. Blair	Lake Charles, Louisiana
Wayne Chastain	Oakdale, Washington
Nelson J. Cotton	Portoria, Ohio
Oscar Heline	Marcus, Iowa
Theodore Anderson	Montreal, Missouri
James A. Hooper	361 Union Pacific Building Annex Salt Lake City, Utah
Arthur J. Ingold	Blissfield, Michigan
P. O. Wilson	139 North Clark Street Chicago 2, Illinois
E. G. Brown	509-11 Plymouth Street Sioux City 2, Iowa
Ramiro L. Colon	Ponce, Puerto Rico
N. L. Allen	30 Church Street New York 7, New York

Walter W. Maule	Kennett Square, Pennsylvania
D. R. Bailey	P. O. Box 1768 Sacramento 6, California
A. J. McFadden	902 River Lane Santa Ana, California
John E. Truck	1601 N. Columbia Blvd. Portland 17, Oregon
L. L. Branthoover	Idaho Falls, Idaho
Frank W. Hussey	Presque Isle, Maine
E. A. Simmons	Star Route
Harry J. Baernink	201 Elliott Avenue West, Seattle 99, Washington
Clyde C. Edmonds	Salt Lake City, Utah
L. K. Marshall	Lodi, California
Norman W. Merrill	Salem, Oregon
F. M. Shay	San Jose, California
Marvin H. Walker	Lake Wales, Florida
H. S. Agster	Harrisburg, Pennsylvania
Charles Baker	Walla Walla, Washington
L. C. Salter	Sheffield, Alabama
D. A. Williams	101 East Fairfield Avenue St. Paul 1, Minnesota
Walter L. Bluck	145 North High Street Columbus 15, Ohio
Harry B. Caldwell	Box H-1 Greensboro, North Carolina
Harry B. Carroll	5110 Arcade Building Seattle 1, Washington
Leonard M. Lowe	523 Garlinghouse Building Topeka, Kansas
H. S. Duncan	P. O. Box 390 Greeneville, Tennessee
James H. Lemmon	Lemmon, South Dakota
C. W. Orr	Palmer Lake, Colorado
R. A. Ward	734 N. W. 14th Avenue Portland 9, Oregon

BOOK235 PAGE 16

STATE OF MAINE }
COUNTY OF AROOSTOOK } SS:
 }

I, Dorothy C. Brown, a Notary Public do hereby certify that on the 17th day of November 1954, Frank W. Hussey personally appeared before me and he signed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

(SEAL)

Dorothy C. Brown
Notary Public
(My commission expires October 29, 1959)

STATE OF CALIFORNIA }
COUNTY OF SAN JOAQUIN } SS:
 }

I, Laura Kettler, a Notary Public do hereby certify that on the 1st day of December 1954, L. K. Marshall personally appeared before me and being first duly sworn by me severally acknowledged that he signed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

(SEAL)

Laura Kettler
Notary Public
(My commission expires November 3, 1957)

BOOK2148 PAGE 17

NOTICE TO CORPORATIONS

Every "not for profit" corporation is required to execute and file in the Office of the Secretary of State between the 15th day of January and the last day of February of each year, after the year of its incorporation, an annual report, and severe penalties are inflicted for failure to do so.

Corporations are also required to file all amendments to their articles of incorporation before such amendments become effective.

The certificate of incorporation and all amendments thereto must be recorded in the office of the County Recorder of the County in which the registered office of the corporation is located within 15 days from the issuance thereof.

2 170

Certificate of
Incorporation
of

16103717
STATE OF ILLINOIS,)
COOK COUNTY
FILED FOR RECORD
BOOK 2446
1954 DEC 21 PM 1:25
James A. Roper PAGE 11
RECORDER OF DEEDS

STATE OF ILLINOIS,
Office of the
Secretary of State

Affiliation Agreement

The parties to this agreement are the Farm Credit Council (FCC) and the National Council of Farmer Cooperatives (NCFC).

The agreement recognizes the strong desire of the parties and their members to pursue continuing efficiencies and enhanced effectiveness in representing their membership through continued affiliation.

This memorandum is to document effective February 1, 1990 the affiliation agreement between FCC and NCFC and supersedes entirely the preexisting affiliation agreement between the parties. This agreement does not supersede but is intended to complement the purposes and provisions of a separate Memorandum concerning the Operating Relationship of Co-Op PAC and Farm Credit PAC as approved by the Farm Credit PAC Steering Committee at its meeting on January 23, 1985 in San Antonio, Texas, and the Memorandum of Understanding dated February 1, 1990 as amended which outlines the cost sharing agreement between NCFC, FCC, Agricultural Cooperative Development International (ACDI) and the American Institute of Cooperation (AIC) relating to the joint occupancy of leased office space at 50 F Street, N.W., Washington, D.C.

The terms of this agreement are as follows:

1. Objectives Of Affiliation

The principal objective of this continuing relationship is to enhance the political effectiveness and influence of the membership of the Farm Credit Council and the National Council of Farmer Cooperatives. Accordingly, the affiliation must complement the needs of NCFC members as well as the member institutions of the Farm Credit System in the areas of governmental policy development and government affairs program implementation. While respecting the organizational integrity of the individual organizations, this affiliation should be implemented in a manner that will:

- a. Capitalize on the strengths of each organization—and minimize the potential for differences in policies or positions.
- b. Achieve operating efficiencies where possible and mutually agreed upon.
- c. Permit the mobilization of combined staff on major initiatives of mutual interest and benefit.

2. Government Policy Development And Implementation

- a. The FCC and NCFC may establish, by their respective Board Chairmen, one or more ad hoc joint committees to recommend policy to the FCC and/or NCFC concerning finance and credit issues not specifically reserved unto FCC. Such committees shall serve as a liaison between FCC and NCFC membership for such purposes as their Board Chairmen may direct.

b. The FCC Board and/or Resolutions Committee may recommend to the NCFC Resolutions Committee, or such other NCFC committees as may be appropriate, resolutions for adoption as policies and principles at the annual meeting of the NCFC delegate body.

c. To assure coordination in management of legislative action, the president of NCFC (or designee) shall be an ex officio member of the FCC Legislative Committee and the president of FCC (or designee) shall be an ex officio member of the Credit Resources Committee of NCFC.

3. Lobbying Support

Consistent with the objectives of affiliation as expressed in this memorandum, and as the presidents of FCC and NCFC may consider it necessary to the good of the whole of FCC and NCFC, the combined staff resources of FCC and NCFC may be directed to the urgent concerns of either except to the extent such staff actions and involvement would be inconsistent with the policies and principles of the employing organization.

4. Operating And Administrative Expenses

Consistent with the objectives of affiliation as expressed in this memorandum, NCFC and FCC will seek efficiencies in operating and administrative expense through joint and coordinated housing, communications and government affairs programs.

5. Maintaining Membership

In recognition of the fact that the strength of the individual organizations directly impacts on the ability of those organizations as affiliates to serve their combined membership, the FCC and NCFC will encourage their respective memberships to maintain support for each organization.

6. Cooperative Education

Consistent with the desire to attain the optimum efficiency and program benefits of the affiliation, the Farm Credit Council will utilize the American Institute of Cooperation in conducting education programs on principles and practices of cooperatives.

7. Review/Expiration

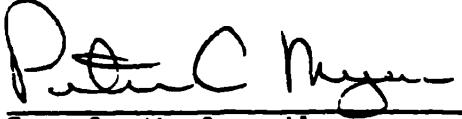
The relationship established by this Affiliation Agreement is meant to be a permanent one. However, to ensure the comprehensive and ongoing review of its terms:

a. The status of activities and progress in achieving the results desired by FCC and NCFC from this relationship shall be reviewed and reported annually to the Boards of Directors of FCC and NCFC or their respective executive committees.

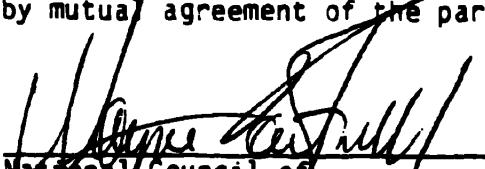
b. The understandings and agreements recorded in this Affiliation Agreement shall expire as of June 30, 1996 unless earlier affirmed by the mutual agreement of the parties.

8. Amendments

This agreement may be amended at any time by mutual agreement of the parties.


Patrick C. Myers

Farm Credit Council


Wayne A. Gill

National Council of
Farmer Cooperatives

April 30, 1990
Date