ARTICLES OF INCORPORATION OF THE XYZ COOPERATIVE, INC.

We, the undersigned, all of whom are residents and citizens of the Commonwealth of Kentucky engaged in the production of agricultural products, do hereby voluntarily associate ourselves together for the purpose of forming a nonprofit agricultural cooperative association with capital stock, under the provisions of Kentucky Revised Statute Chapter 272.

ARTICLE 1 - NAME
The name of the cooperative shall be the XYZ Cooperative, Inc., hereinafter called the cooperative.

ARTICLE II - PURPOSE
The purpose of the cooperative shall be to engage in any activity in connection with manufacturing or otherwise procuring of tools, equipment, feeds, seeds, fertilizers, insecticides, other farm supplies or services needed by member-patrons in their farming operations, and to engage, to the extent needed and decided upon by the member-patrons, in the marketing of agricultural products produced by the members.

ARTICLE III - POWERS
The cooperative shall have the following powers:

To engage in any activity in connection with the marketing, selling, preserving, harvesting, processing, manufacturing, canning, packing, grading, storing, handling or utilizing any agricultural products produced or delivered to it by its members or others, or the manufacturing or marketing of the by-products these products; or in any activity in connection with the purchase, hiring, or use by its members of supplies or equipment, or in the financing of any of these activities, or in any one or more of the activities specified in this article.

To transact business with nonmembers to an amount not greater in value than that transacted with its members.

To borrow money without limitation as to amount of indebtedness or liability and make advances to members.
To act as agent or representative of any member in any of these activities.

To acquire, hold, own and sell, transfer, pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of the capital stock or bonds, of any corporation engaged in any related activity or in the warehousing, handling or marketing of any of the products handled by the cooperative.

To establish reserves and invest the funds in any property permitted in the bylaws.

To exercise any privilege of ownership over real or personal property necessary or convenient for the conduct and operation of, or incidental to, any business of the cooperative, and

To exercise any other corporate powers not inconsistent with KRS 272 to accomplish the purpose for which it was organized.

ARTICLE IV - PRINCIPAL PLACE OF BUSINESS AND AGENT

Section 1. The principal place of business of the cooperative shall be at 224 East Broadway, Louisville, County of Jefferson, Commonwealth of Kentucky.

Section 2. The resident agent of the cooperative shall be Conrad Olson, whose address is 224 East Broadway, Louisville, County of Jefferson, Commonwealth of Kentucky.

ARTICLE V - TERM

The cooperative shall begin its corporate existence upon receipt of its charter from the Secretary of State, and its existence shall be perpetual from that time.

ARTICLE VI - DIRECTORS

The number of directors of the cooperative shall be not less than five, the exact number and the method of election to be fixed by the bylaws of the cooperative. Directors shall be elected for 3-year terms, except as otherwise provided in the bylaws.

The names and addresses of those who are to serve as incorporating directors until the first annual meeting of the members, or until their successors are elected and qualified are:

1. James Brown, Route 1, Louisville, Kentucky
2. Homer Jones, Route 2, Louisville, Kentucky
3. Richard R. Smith, Route 3, Louisville, Kentucky
4. Felix F. Kurtz, Route 4, Louisville, Kentucky
5. Daniel B. Reed, Route 5, Louisville, Kentucky

A meeting of the members shall be held within one year from this date of incorporation, after due notice has been given to the members for the purpose of electing successors to the incorporating directors. The exact date, hour and place of such meeting shall be set by the president of the cooperative.
ARTICLE VII - MEMBERSHIP

Only bona fide producers of agricultural products shall be eligible for membership in the cooperative, and such may become members upon meeting such uniform conditions for membership, including the ownership of not less than one share of common stock in the cooperative, as may be established by the bylaws and by the board of directors of the cooperative.

ARTICLE VIII - MEMBERSHIP LIABILITY

The private property of the member shall not be subject to the payment of debts of the cooperative, and no member shall be liable for the debts of the cooperative to any amount exceeding the unpaid balance of any stock subscribed.

ARTICLE IX - CAPITAL STOCK

Section 1. Authorized amount, Classes. The capital stock of the cooperative shall consist of 210,000 shares, divided into 200,000 shares of common stock of the par value of $5.00 per share, and 10,000 shares of preferred stock of the par value of $25.00 per share, resulting in a total capitalization of $1,250,000.00

Section 2. Common Stock. The common stock of this cooperative may be purchased, owned, or held only by producers (1) who patronize the cooperative in accordance with uniform terms and conditions prescribed by it, and (2) who have been approved by the board of directors.

"Producer" shall mean and include persons (natural and corporate) actually engaged in the business of farming, and cooperative associations of such producers.

Each member shall hold at least one share of common stock and each eligible holder of common stock shall be entitled to only one vote in any meeting of the membership. In the event the board of directors of the cooperative shall find, following a hearing, that any of the common stock of the cooperative has come into the hands of any person who is not eligible for membership, or that the holder thereof has ceased to be an eligible member, or that such holder has not, for a period of two (2) years, transacted business through the cooperative, such holder shall have no rights or privileges on account of such stock, or vote or voice in the management of affairs of the cooperative other than the right to participate in accordance with law in case of dissolution. The cooperative shall have the right, at its option, (a) to purchase such stock at its book or par value, whichever is less as determined conclusively by the board of directors; (b) to require the transfer of any such stock to convert it into shares of preferred stock of equal value.

The common stock of the cooperative may be transferred only with the consent of the board of directors of the cooperative and on the books of the cooperative, and then only to persons eligible to hold it; and no purported assignment or transfer of common stock shall pass to any person not eligible to hold it any rights or privileges on account of such stock, or vote or voice in the management of the affairs of the cooperative. The cooperative shall have a lien on all of its issued common stock for all indebtedness of the holders thereof to the cooperative.

Dividends, noncumulative, may be paid on common stock, annually when earned and not in excess of six (6) percent, and when declared by the board of directors, but no such dividends shall be paid
in any year unless and until six (6) percent dividends shall have been declared and paid on all preferred stock outstanding.

**Section 3. Preferred Stock.** The preferred stock of the cooperative may be issued to any person, corporation, partnership or other organization. It shall carry no voting rights. Noncumulative dividends of not-to-exceed six (6) per cent per annum may be paid on such preferred stock when, if, and as declared by the board of directors.

Preferred stock may be transferred only on the books of the cooperative, and may be redeemed in whole or in part on a pro-rata basis at par plus any dividends declared thereon and unpaid, at any time on thirty (30) days notice by the cooperative, provided said stock is redeemed in the same order as originally issued by years. All such preferred stock so redeemed shall be paid for in cash at par value thereof, plus any dividends declared thereon and unpaid and such stock shall not bear dividends after it has been called for redemption.

Upon dissolution or distribution of the assets of the cooperative, the holders of all preferred stock shall be entitled to receive the par value of their stock, plus any dividend declared thereon and unpaid before any distribution is made on the common stock of the cooperative.

**ARTICLE X - VOTING RIGHTS**

Each member of the cooperative shall have one vote only in the affairs of the cooperative, regardless of the amount of common or preferred stock owned.

**ARTICLE XI - AMENDMENTS**

These Articles of Incorporation may be amended at any regular meeting or any special meeting of the members called for that purpose. An amendment must first be approved by two-thirds of the directors and then adopted by a vote representing a majority of all the members of the cooperative. Procedures for filing and recording shall be the same as for these original Articles of Incorporation as required by law.

**ARTICLE XII - DISSOLUTION**

Upon dissolution and winding up the affairs of the cooperative, the net assets remaining after payment of all debts, both secured and unsecured, shall be distributed as follows: first, payment for all preferred stock at par value, plus any dividend declared thereon and unpaid; second, payment for all common stock at par value or book value whichever is less, plus any dividend declared thereon and unpaid, third; the payment of any other individual equities, however represented in the records, and; fourth, the remaining unassigned net assets shall be divided on a pro-rata basis among the patrons of the last five years immediately preceding the dissolution of the cooperative, according to volume of patronage.
WITNESS WHEREOF, we have hereunto subscribed our names this twenty-second day of August, 1966.

James Brown, Route 1, Louisville, Ky.
Homer Jones, Route 2, Louisville, Ky.
Richard R. Smith, Route 3, Louisville, Ky.
Felix F. Kurtz, Route 4, Louisville, Ky.
Daniel B. Reed, Route 5, Louisville, Ky.

(STATE OF KENTUCKY)
(SS)

Before me, a Notary Public within and for said county and state, on this twenty-second day of August, 1966, personally appeared James Brown, Homer Jones, Richard R. Smith, Felix F. Kurtz and Daniel B. Reed, personally known to me to be the persons who executed the foregoing instrument, and acknowledge the same to be their free act and deed.

Witness my signature and seal of office this 22 day of August, 1966

Bob Brown

NOTARY PUBLIC in and for the county of
Jefferson, State of Kentucky

My commission expires October 24, 1967.

This instrument was prepared by A. Conrad Olson, Attorney at Law, Suite 504, 200 West Broadway, Louisville, Kentucky 40202.

A. Conrad Olson