

ARTICLES OF INCORPORATION
OF
AGRAMARKE QUALITY GRAINS, INC.

AN ASSOCIATION ORGANIZED UNDER
THE NONPROFIT COOPERATIVE MARKETING LAW
(MO. REV. STAT., CHAPTER 274)

FILED

JAN 02 2001

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OF

AGRAMARKE QUALITY GRAINS, INC.

Rebecca McDowell Cook
SECRETARY OF STATE

**AN ASSOCIATION ORGANIZED UNDER
THE NONPROFIT COOPERATIVE MARKETING LAW
(MO. REV. STAT., Chapter 274)**

The undersigned, in order to form a nonstock cooperative under Missouri Revised Statutes, Chapter 274, do hereby adopt and execute the following Articles of Incorporation:

ARTICLE I

NAME, PRINCIPAL PLACE OF BUSINESS, REGISTERED OFFICE AND AGENT

The name of this Association is AgraMarke Quality Grains, Inc. The principal place of business for this Association is 509 Main, Box 76, Everest, Kansas 66424. The registered office address of this Association is 106 S. 7th Street, Suite 401, St. Joseph, Missouri 64501. The registered agent at that address is Robert W. Crouch.

ARTICLE II

PURPOSES AND POWERS

Section 2.1 Purposes, Not For Profit. This Association is organized not for profit as such, but for the following purposes:

- (a) to store, market, and process the agricultural products grown by its members and other patrons;
- (b) to construct or otherwise provide processing, storage, and other facilities and related services to and for its members;
- (c) to engage in any activity in connection with the marketing, harvesting, processing, storing, handling or utilization of agricultural products or their byproducts delivered to the Association, or the providing of labor, or in connection with the purchase, hiring or use by its patrons of supplies, machinery or equipment, or in the financing of any such activities;
- (d) to engage in any activity connected with or related to any such purposes, and to engage in any other lawful purpose;

To this end, the business and activities of this Association shall be conducted on a cooperative basis, as may be further provided in these Articles or the Bylaws of this Association.

Section 2.2 Powers. In addition to other powers, this Association may perform every act and thing necessary, proper, incidental or convenient to the conduct of its business or the accomplishment of its purposes. This Association shall have all powers, privileges and rights conferred upon it by applicable law. Without limiting the foregoing, this Association shall have the power:

- (a) to borrow money from and to loan money to its members, nonmember patrons and others; to guarantee or stand as surety on loans made to its members, nonmember patrons and others by lenders; to issue bonds, deeds of trust, debentures, notes, and other obligations and to secure the same by pledge, mortgage, or trust deed on any real or personal property of this Association; to draw, make, accept, endorse, guarantee, execute, and issue promissory notes, bills of exchange, drafts, warrants, warehouse receipts, certificates and other obligations, and negotiable or transferable instruments for any purpose deemed necessary to further the objects for which this Association is formed;
- (b) to acquire, purchase, hold, lease, encumber, sell, exchange, and convey such real estate, buildings, and personal property as the business of this Association may require;
- (c) to purchase, acquire, own, mortgage, pledge, sell, assign, transfer or otherwise dispose of, equity or debt securities created by any other corporation or other legal entity wherever organized, with all the rights, powers and privileges of ownership thereof;
- (d) to borrow money, to incur obligations and to assume obligations of any other person, individual, corporation or other legal entity, in any amount; and to make contracts for hire;
- (e) to issue equity and debt securities, whether certificated or uncertificated, as further provided in the Articles and in the Bylaws;
- (f) to join with other cooperatives, limited liability companies, corporations, partnerships, associations or other entities to form district, state, or national marketing, manufacturing, purchasing and service organizations, and other organizations engaged in the general purposes for which this Association is formed, and to purchase, acquire, and hold the capital stock or other equity interests and the notes, bonds and other obligations of such organizations;
- (g) to have one or more offices, and to conduct any or all of its operations and business, and promote its purposes without restriction as to places or amounts; and
- (h) to carry on any other business in connection with the foregoing and to engage in any of said activities on its own account or as agent for others, or alone or in association with others; and to employ agents, consultants and nominees to perform any or all of the powers described or referred to herein.

The powers, privileges and rights specified herein shall, except where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any

other provision of these Articles. The enumeration of powers, privileges and rights herein shall not be held to limit or restrict in any manner the general powers, privileges and rights conferred upon this Association under applicable law.

Section 2.3 Limitation on Nonmember Business. This Association shall not market the products of nonmembers in an amount the value of which exceeds the value of the products marketed for members. It shall not purchase supplies and equipment for nonmembers in an amount the value of which exceeds the value of the supplies and equipment purchased for members. It shall not purchase supplies and equipment for persons who are neither members nor producers of agricultural products in an amount the value of which exceeds 15 percent of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the limitations imposed by this section.

ARTICLE III DURATION

This Association shall have perpetual existence.

ARTICLE IV MEMBERSHIP AND EQUITY

Section 4.1 Organized Without Capital Stock. This Association is organized without capital stock.

Section 4.2 Authorized Membership Interests. This Association is organized with Membership interests which are divided into participation units ("units"). The authorized number of units of this Association is 5,000,000. The property rights of the Members holding units will be unequal to the extent the Members hold different amounts of units and to the extent Members' patronage the Association is in different amounts. The Association shall issue one or more Membership Certificates stating the number of units held by the Member. Except as may be limited by applicable law, these Articles or the Bylaws, the Board of Directors of this Association (the "Board of Directors") has the authority and power to establish and issue one or more classes of units, to set forth the designation of different classes of units, to fix the relative rights, preferences, privileges and limitations of each class of units; and to establish and maintain such capital reserve, revolving capital, unit retains, and other types of equity credits as further provided in these Articles and the Bylaws.

Section 4.3 Membership And Units.

(a) Membership in this Association is restricted to the persons or entities who subscribe to a minimum number of units as prescribed by the Board of Directors of this Association, and each member of this Association must hold at least the minimum number of units prescribed by the Board of Directors. Only Members have voting power in this Association. To become a member, a producer must: (1) be a member of AgraMarke, Inc. in good standing, (2) sign and complete a Membership Application and pay any membership fee prescribed by the Board of Directors for this Association, (3) sign and complete a Uniform

Marketing and Delivery Agreement requiring the member to deliver annually to the Association a specified number of bushels of grain (as outlined in the Bylaws of this Association) per unit held by the member, (4) and comply with other requirements of membership as stated in these Articles and the Bylaws. The right to purchase delivery units from the Association is restricted to producers of agricultural products and associations of such producers who meet the requirements and conditions of membership as provided in these Articles and in the Bylaws. Each Member has one vote in the affairs of this Association regardless of the number of units held by the Member.

(b) The units are transferable only with the approval of the Board of Directors, and then only to persons or entities eligible to hold the units. No purported transfer or assignment of any units to any person or entity not eligible to hold such units passes any privileges or rights on account of such units. No holder of units has any right whatsoever to require the redemption of its units. The units may be redeemed only at the option of the Board of Directors in accordance with the provisions of these Articles and the Bylaws. The Board of Directors has the authority to establish a redemption policy on terms and conditions it deems advisable in its sole discretion; provided, however, that a unit may never be redeemed for more than the value of the consideration for which the unit was issued. No dividends will be paid on the units of this Association.

(c) For purposes of these Articles and the Bylaws, "producers of agricultural products" means persons (including individuals and joint ventures, corporations, partnerships, limited liability companies, limited liability partnerships, unincorporated associations or other legal entities owned or controlled by individual farmers, ranchers or their family groups) that are engaged in the production of one or more agricultural products, including tenants of land used for the production of such products and lessors of such land that receive as rent therefor any part of the product of such land.

Section 4.4 Ineligibility Of A Member

(a) As may be more particularly provided for in the Bylaws, if the Board of Directors finds that any units of this Association have come into the hands of any person or entity who is not eligible to own units or who has otherwise become ineligible for membership in this Association, the Board of Directors of this Association has the right, at its option, (1) to redeem the unit at an amount equal to the value of the consideration for which the unit was issued; or (2) to convert the unit into a nonvoting certificate of interest or other nonvoting equity credit at an amount equal to the value of the consideration for which the unit was issued. Upon such redemption or conversion, such ineligible holder of the units ceases to be a member of this Association and ceases to have voting rights in this Association.

(b) In exercising its right to redeem or to convert the unit under the preceding paragraph, this Association may cancel the certificate or certificates of such units on its books in the event the holder fails to deliver the certificate or certificates evidencing such units to the Association. If this Association exercises its right to convert the units into a nonvoting certificate of interest or other nonvoting equity credit, this Association has no obligation to

redeem such nonvoting equity interest, nor does the holder of such interest have any right to demand the redemption thereof.

(c) Except as specifically provided for in the Bylaws, no action taken by this Association with respect to its units modifies the obligations and liabilities of any holder thereof to this Association under any uniform marketing and delivery contract or other contract between the holder and this Association, nor impair the rights of this Association under such contracts.

Section 4.6 Nonmember Patronage Transactions. Producers of agricultural products and associations of such producers who patronize this Association under conditions established by the Board of Directors or as provided in the Bylaws but who are otherwise ineligible to be members of this Association may nevertheless conduct business with this Association on a patronage basis as a nonmember patron, as more particularly provided in the Bylaws or by policies and procedures established by the Board of Directors. Such nonmember patrons are not members and are not entitled to voting rights or other rights and privileges incident to membership.

ARTICLE V NET INCOME AND LOSS

The net income of this Association in excess of dividends on equity capital and additions to reserves shall be distributed to members and nonmember patrons annually or more often on the basis of patronage and the records of this Association may show the interest of members and nonmember patrons in the reserves. Patronage may be different for Members and nonmember patrons delivering into different patronage pools or allocation units as determined by the Board of Directors. Net income may be accounted for and distributed on the basis of allocation units that may be functional, divisional, departmental, geographic, or otherwise. Net income may be distributed in cash, credits, allocated patronage equities, revolving fund certificates, securities of this Association, other securities, or any combination thereof. Any such allocated equity shall be redeemable only at the option of the Board of Directors. The net loss of an allocation unit or units may be offset against the net income of other allocation units to the extent permitted by law. The net income or net loss of this Association or any allocation unit may be determined by including the Association's proportionate share of the net income or loss of other entities in which the Association owns an equity interest. The foregoing provisions of this Article shall be implemented as more particularly provided in the Bylaws of this Association.

**ARTICLE VI
LIQUIDATION**

In the event of any dissolution, liquidation or winding up of this Association, whether voluntary or involuntary, all debts and liabilities of this Association shall be paid first according to their respective priorities. As more particularly provided in the Bylaws, the remaining assets shall then be paid to the holders of units and other equity capital to the extent of their interests shown on the books of the Association and any excess shall be paid to the patrons of this Association on the basis of their past patronage. The Bylaws may provide more particularly for the allocation among the members and nonmember patrons of this Association of the consideration received in any merger or consolidation to which this Association is a party.

**ARTICLE VII
FIRST LIEN**

This Association has a first lien on all units, equity credits, accounts, including accounts payable under marketing contracts or otherwise and other interests standing on its books for all indebtedness of the respective holders or owners thereof to the cooperative. This Association also has the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the amount of such units, equity credits, accounts or other interests standing on its books; provided, however, that nothing contained herein gives the owners of units, equity credits, accounts or other interests any right to have such set off made.

**ARTICLE VIII
BOARD OF DIRECTORS; INCORPORATORS**

Section 8.1 Number and Board. The business and affairs of this Association shall be managed by a Board of Directors of not less than five persons, as further provided in the Bylaws. Directors shall be elected by the members at the annual meeting of the Members of this Association in such manner and for such terms as the Bylaws prescribe. The names and addresses of those who are to serve as incorporating directors for the first term ending with the annual election of the directors in 2001 and until the qualification of their successors are as follows:

	<u>Name</u>	<u>Address</u>
1.	John A. Hickman	2115 Berkshire Saint Joseph, MO 64506
2.	Virgil L. Crockett	12210 SW Highway 59 Saint Joseph, MO 64504
3.	Emmett Cole	502 East Main Highland, KS 66035
4.	Douglas P. Johnson	102 Lincoln Ave., Denton, KS 66017
5.	William H. Becker	325 130 th Road Denton, KS 66017

Section 8.2 Limitation on Liability. No director of this Association shall be personally liable to the cooperative or its members for monetary damages for breach of fiduciary duty as a director, except for liability:

- (a) for a breach of the director's duty of loyalty to this Association or its members;
- (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) for a transaction from which the director derived an improper personal benefit; or
- (d) for an act or omission occurring prior to the date when the provisions of this Article became effective.

It is the intention of the members of this Association to eliminate or limit the personal liability of the directors of the cooperative to the greatest extent permitted under Missouri law. If amendments to the Missouri Statutes are passed after this Article becomes effective which authorize cooperatives to act to eliminate or further limit the personal liability of directors, then the liability of the directors of this Association shall be eliminated or limited to the greatest extent permitted by the Missouri Statutes, as so amended. Any repeal or modification of this Article by the unitholders of this Association shall not adversely affect any right of, or any protection available to a director of this Association which is in existence at the time of the repeal or modification.

Section 8.3 Incorporators. The name and address of the incorporators (the "Incorporators"), the majority of whom are Missouri residents, all of which are engaged in the production of agricultural products are:

	<u>Name</u>	<u>Address</u>
1.	John A. Hickman	2115 Berkshire Saint Joseph, MO 64506
2.	Brian E. Miller	34780 Brown Road Rushville, MO 64484
3.	Steve D. Weigel	40750 Woolston Road Rushville, MO 64484
4.	Larry C. Hickman	20728 State Route West Saint Joseph, MO 64507
5.	Virgil L. Crockett	12210 SW Highway 59 Saint Joseph, MO 64504
6.	Scott M. Crockett	7430 SW State Route KK Rushville, MO 64484
7.	Emmett Cole	502 East Main Highland, KS 66035

- | | | |
|-----|--------------------|---|
| 8. | John R. Howard | 1606 280 th Street
Hiawatha, KS 66434 |
| 9. | Kenneth McCauley | 2325 Ashpoint Road
White Cloud, KS 66094 |
| 10. | Douglas P. Johnson | 102 Lincoln Ave.,
Denton, KS 66017 |
| 11. | William H. Becker | 325 130 th Road
Denton, KS 66017 |

**ARTICLE IX
AMENDMENTS**

The Articles may be amended in accordance with Missouri Revised Statutes, 274.080, as amended.

IN TESTIMONY WHEREOF, these Articles have been signed by the following Incorporators as of the 28 day of December, 2000. The Articles may be signed in counterparts.

<u>John A. Hickman</u>	<u>Ernest Cole</u>
<u>Brian E. Miller</u>	<u>John A. Howard</u>
<u>Stuart D. Wright</u>	<u>Kenneth McCauley</u>
<u>Virgil L. Crockett</u>	<u>Douglas P. Johnson</u>
<u>Scott M. Crockett</u>	<u>William H. Burkhead</u>
<u>Larry E. Vail</u>	

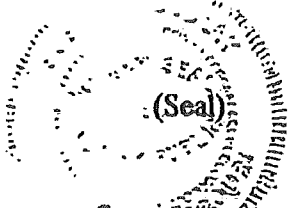
FILED

JAN 02 2001

Rebecca McDonald Cook
SECRETARY OF STATE

STATE OF MISSOURI)
) ss.
COUNTY OF Buchanan)

Be it remembered that before me, a Notary Public in and for the aforesaid county and state, personally appeared John A. Hiskman, one of the Incorporators of AgraMarke Quality Grains, Inc., who is known to me to be the same person who executed the foregoing Articles of Incorporation and duly acknowledged his execution of the same this 28 day of December 2000.



Susan L. Dudley
Notary Public

Susan L. Dudley, Notary Public
State of Missouri, Buchanan County
My Commission Expires Aug. 12, 2004

FILED

JAN 02 2001

Rebecca M. Dowell Clerk
SECRETARY OF STATE

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CERTIFICATE OF INCORPORATION

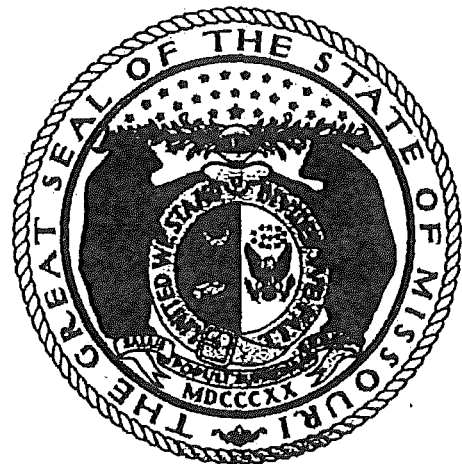
WHEREAS, AN ASSOCIATION ORGANIZED UNDER THE NAME OF
AGRAMARKE QUALITY GRAINS, INC.

HAS FILED IN THE OFFICE OF THE SECRETARY OF STATE ARTICLES OF
ASSOCIATION OR AGREEMENT, AND HAS IN ALL RESPECTS COMPLIED WITH
THE REQUIREMENTS OF THE LAW GOVERNING THE FORMATION OF
NON-PROFIT COOPERATIVE AGRICULTURAL ASSOCIATIONS UNDER
CHAPTER 274 RSMo.

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF
THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID ASSOCIATION
HAS, AS OF THIS DATE, BECOME A BODY CORPORATE.

In Testimony Whereof, I have set my
hand and imprinted the Great Seal of
the State of Missouri, on this, the
2nd day of January, 2001.


Secretary of State



\$15.00