

**AMENDED AND RESTATED BYLAWS
OF THE
RIVER VALLEY AGCREDIT, ACA**

February 3, 2019

(as amended on May 26, 2021)

AMENDED AND RESTATED BYLAWS
of the
RIVER VALLEY AGCREDIT, ACA

TABLE OF CONTENTS

| | |
|-------------|--|
| Article I | Definitions |
| Article II | Legal Status, Authorities |
| Article III | Membership; Eligibility to Borrow |
| Article IV | Meetings of Stockholders |
| | 400 Time and Place |
| | 400.1 Annual Meetings |
| | 400.2 Special Meetings |
| | 400.3 Sectional Sessions |
| | 410 Notice of Meetings |
| | 420 Quorum |
| | 430 Conduct of Annual Meetings |
| | 435 Minutes of Meetings |
| | 440 Nominating Committee |
| | 450 Voting |
| Article V | Board of Directors |
| | 500 Number of Directors |
| | 505 Additional Qualifications of Directors |
| | 510 Election of Directors |
| | 520 Term |
| | 530 Vacancies |
| | 540 Duties of Directors |
| | 550 Board Meetings |
| | 555 Officers of the Board; Duties; Removal |
| | 560 Honoraria |
| | 570 Quorum and Majority Vote |
| | 580 Removal |
| | 590 Resignation |
| | 595 Boards of PCA and FLCA |
| Article VI | Officers and Employees |
| | 600 Appointment and Qualifications |

- 610 Duties of Officers
- 620 Removal
- 625 Joint Management

Article VII Committees

- 710 Loan Committee
- 715 Audit Committee
- 716 Compensation Committee
- 717 Governance Committee
- 718 Risk Management Committee
- 720 Other Committees
- 725 Quorum
- 730 Withdrawal from Meeting
- 740 Minutes
- 750 Vacancies

Article VIII Capital Stock

- 800 Authorization, Classes and Par or Face Value
- 810 Evidence of Ownership
- 820 Issue
 - 820.1 Reserved
 - 820.2 Class B common stock (non-voting)
 - 820.3 Class C common stock (voting)
 - 820.4 Participation Certificates
 - 820.5 Amount and Value
 - 820.6 Payment of Dividends
- 825 Loans Designated for Sale or Sold Into the Secondary Market
 - 825.1 No stock requirement
 - 825.2 Retirement of stock
- 830 Transfer
 - 830.1 Eligibility
 - 830.2 Transfer agent
- 840 Conversion
 - 840.1 Stock and Participation Certificates
 - 840.2 After ceasing to be borrower
- 850 Retirement
 - 850.1 Order
 - 850.2 Upon default
- 860 Impairment
 - 860.1 Borne ratably
 - 860.2 Restoration
- 870 Lien
- 880 Distribution on Liquidation
- 890 Amendment to Capitalization Bylaws

| | |
|--------------|--|
| Article IX | Earnings, Surplus, Dividends and Patronage Distributions |
| 900 | Capitalization Plan |
| 910 | Application of Earnings or Losses |
| 910.1 | Order of applying earnings |
| 910.2 | Order of absorbing losses |
| 920 | Surplus Accounts |
| 930 | Allocated Surplus Account |
| 930.1 | Creation of account |
| 930.2 | First lien |
| 930.3 | Application against indebtedness upon default |
| 930.4 | Retirement of allocations |
| 930.5 | Distribution of allocated surplus |
| 930.6 | Allocation accounts |
| 940 | Dividends |
| 940.1 | Amount and rate |
| 940.2 | Ex-dividend rate |
| 940.3 | Payment in cash or Class B Stock |
| 950 | Patronage Distributions |
| 950.1 | Adoption of resolution |
| 950.2 | Basis of distribution |
| 950.3 | Earnings availability |
| 950.4 | Form of distribution |
| 950.5 | Class B stock consent requirement by IRS |
| 950.6 | Participation certificate holder written consent |
| 950.7 | PCA and FLCA |
| Article X | Execution of Documents |
| 1000 | Transactions with the FCB, Releases and Uniform Commercial Code Transactions |
| 1010 | Other Transactions |
| 1020 | Expenses and Checks |
| Article XI | Records and Reports |
| 1100 | Records |
| 1110 | Reports |
| Article XII | Unclaimed Property |
| Article XIII | Fiscal Year |
| Article XIV | Seal |
| Article XV | Indemnification of Directors, Officers, Employees and Agents |

- 1500 Indemnification
- 1510 Additional Provisions
- 1520 Procedure
- 1530 Advances of Expenses
- 1540 Other Rights
- 1550 FCA Penalties
- 1560 Right of Claimant to Bring Suit
- 1570 Contractual Rights

Article XVI Amendments

- 1600 Amendments in General
- 1610 Amendments Affecting Capitalization
- 1620 Effective Date

Article I Definitions

100 Definitions

“Act” means the Farm Credit Act of 1971, as amended.

“Annual Meeting” shall have the meaning set forth in Section 400.1 hereof.

“Association” means this River Valley AgCredit, ACA.

“Authorization Event” shall have the meaning set forth in Section 210 hereof.

“Board” means the Board of Directors of the Association.

“Bylaws” means these Amended and Restated Bylaws, as they may be amended from time to time pursuant to Articles VIII and XVI hereof.

“FCA” means the Farm Credit Administration. “FCB” means AgFirst Farm Credit Bank.

“FLCA” means River Valley AgCredit, FLCA, a federal land bank association with direct lending authority and a subsidiary of the Association.

“GFA” shall have the meaning set forth in Section 220 hereof.

“Member” means a holder of stock or participation certificates in the Association, except another System institution.

“Outside Director” shall have the meaning set forth in Section 500.4 hereof.

“PCA” means River Valley AgCredit, PCA, a production credit association and a subsidiary of the Association.

“Participation Certificate” means an equity in the Association other than Stock, the holder of which is not eligible to vote on any matter regarding a vote at any annual or special meeting of Stockholders, except as otherwise provided herein.

“Record Date” shall have the meaning set forth in Section 450.6 hereof.

“Regulations” or “FCA Regulations” means FCA regulations or directives applicable to and binding on this Association.

“Sectional Session” shall have the meaning ascribed to such term in Section 400.3 hereof.

“Stock” shall mean all classes of outstanding capital stock of the Association.

“Stockholder” means a holder or joint holder of any Stock.

“Subsidiaries” shall have the meaning ascribed to such term in Section 110 hereof.

"System" means the Farm Credit System.

"Voting Stockholder" means a holder of Stock who is eligible, under the Act, Regulations and these Bylaws, to vote in respect of any matter presented for a vote of such equity holders.

110 References to "Board"

All references in these Bylaws to the "Board" shall refer both to the directors sitting as of the effective date of these Bylaws and to any successors thereof pursuant to these Bylaws, unless the context otherwise requires.

120 The Bylaws constitute rules for the internal operation of the Association. Unless otherwise noted, "Section" shall refer to a section of these Bylaws.

Article II Legal Status: Authorities

200 This Association is a cooperative credit institution which is owned by its Stockholders and is federally chartered pursuant to the Act. Subject to the Act and the Regulations and under the supervision of the FCB, the Association in its chartered territory possesses and may exercise all lending, participation and similar authorities granted by statute or Regulation, as such statutes and Regulations may be amended from time to time. FCB possesses no authority in the corporate governance of the Association other than that mandated by law. Without limiting the foregoing, this Association is authorized:

- a. to make, guarantee or participate with other lenders in short- and intermediate-term loans and long-term mortgage loans and provide other similar financial assistance to:
 - bona fide farmers and ranchers and producers or harvesters of aquatic products, for agricultural or aquatic purposes and other requirements of such borrowers as specified in the Act;
 - rural residents for financing of housing in rural areas; and
 - persons or organizations furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs; and
- b. to make or participate with other lenders in long-term real estate mortgage loans in rural areas, as defined by the FCA, or to producers or harvesters of aquatic products, and to make continuing commitments to make such loans under specified circumstances, for a term of not less than five nor more than forty years; and
- c. to provide technical assistance to borrowers, applicants and Stockholders and make available to them, at their option, such financially related services appropriate to their on-farm and aquatic operations in accordance with applicable Regulations.

210 Lending Authorities.

Upon FCA and Voting Stockholder approval, the Board may authorize the Association, PCA and FLCA to conduct some or all of the authorities granted in the Act and Regulations to Production Credit Associations and Federal Land Credit Associations, respectively ("Authorization Event").

220 Relationship with FLCA and PCA

Upon an Authorization Event, the Association, PCA and FLCA shall conduct an integrated lending operation. The Association shall possess the authorities that the Act confers on an agricultural credit association. The PCA shall possess, among other authorities granted under the Act, the authority to make, hold and participate in short and intermediate-term loans and provide financially related services to qualified borrowers in the Association's territory. The FLCA shall possess, among other authorities granted under the Act, the authority to make, hold and participate in long-term real estate loans and provide financially related services to qualified borrowers in the Association's territory. In addition, upon an Authorization Event, all three institutions shall enter into a General Financing Agreement ("GFA") with the FCB for purposes of funding loans originated and made by Association, PCA and FLCA pursuant to their respective lending authorities. The indebtedness owed to FCB under the GFA shall be the joint and several obligations of all three institutions. The Association at all times will own all of the voting capital stock of the FLCA and PCA. PCA and FLCA shall be referred to collectively as the "Subsidiaries."

Article III Membership: Eligibility to Borrow

300 Stockholders of the Association shall include all holders of legal title to capital stock or participation certificates as evidenced on the books of the Association, except another System entity. Any person to whom this Association is authorized by the Act and Regulations to extend credit or other related services is eligible to apply for a loan or such other services from this Association and become a Stockholder of the Association. In the case of a deceased or legally incompetent Stockholder, the executor, administrator, guardian or other legally authorized representative of such Stockholder shall be considered to be the Stockholder for the purpose of voting. Each Stockholder, or individual designated in accordance with these Bylaws to vote the Class C Common Stock of a Voting Stockholder, is authorized to speak on any question being considered at a meeting of Stockholders, when recognized by the chairman of the meeting. Motions, nominations and seconds may be made and voted on only by the individuals designated to vote the Class C Common Stock of Voting Stockholders in accordance with these Bylaws.

Article IV Meetings of Stockholders

400 Time and Place

400.1 Annual Meetings.

There shall be an Annual Meeting of Stockholders ("Annual Meeting") at such place(s) in the Association's chartered territory or, when approved by the Board, within a reasonable distance of the Association's territory, at such date(s) and time(s) as the Board may by resolution provide.

400.2 Special Meetings.

Special meetings of Stockholders may be called at any time by resolution of the Board. Such meetings must be called upon written request of at least 5 percent of the Voting Stockholders, except that in no case shall the required number of signatures to such a request be less than 20. All notices of special meetings of the Stockholders shall state the time, place and purpose(s) of the meeting. If the Board fails or refuses to order such notice to be made, the notice may be given by the Stockholder(s) making the call in accordance with the provisions of Section 410 of these Bylaws.

400.3 Sectional Sessions.

The Board may provide for the Annual Meeting or special meetings of Stockholders to be held in consecutive sectional sessions at different times and places ("Sectional Session"). The date of the convening of the first Sectional Session shall be the date of the meeting for the purpose of notice thereof to Stockholders. Each Stockholder shall be notified of all sessions to be convened and shall be entitled to attend any or all of such sessions. At each Sectional Session except the last, the meeting shall be adjourned until the next session of the meeting. The last Sectional Session must be scheduled for a time no later than 50 calendar days after the first Sectional Session. The attendance at all Sectional Sessions shall be combined for the purpose of constituting a quorum, but no Voting Stockholder shall be counted or permitted to vote at more than one session. The votes duly cast at all sessions shall be counted together to constitute the vote of the meeting. Nominations from the floor for directors and nominating committee members, and matters requiring a vote of all Voting Stockholders, must be introduced at the first Sectional Session of the meeting and so announced in the notice of the meeting, except that if balloting is by mail as provided in Section 510.5 of these Bylaws, nominations may be made and matters requiring a vote of all Voting Stockholders may be introduced at any Sectional Session of the meeting.

410 Notice of Meetings

The Chairman of the Board shall cause written notice of each annual and special meeting of the Stockholders to be mailed not less than ten (10) business days, but not more than thirty (30) business days, prior to the date of the meeting to all Stockholders. The list of Stockholders entitled to such notice shall be a current list of Stockholders. The notice shall be mailed to the last known post office address of the Stockholder as it appears on the Association's records. The notice shall state the purpose, time and place of the meeting. Simultaneous with the mailing, the Annual Meeting Information Statement (AMIS) may be published on the Association's website. If published on the website, the AMIS shall be available for at least thirty days. The AMIS shall be available for public inspection at all offices. No business shall be transacted at special meetings other than the business referred to in the notice. All notices of Annual Meetings must be signed by the chief executive officer, chief financial officer and a member of the Board.

420 Quorum

At each annual or special meeting of the Stockholders, the greater of 25 Voting Stockholders or three (3%) percent of the total number of Voting Stockholders determined as of the Record Date shall constitute a quorum. For purposes of determining a quorum at the annual or special meeting where mail balloting is used for director elections, mail ballots shall be used to determine a quorum. Proxies will also be included to establish a quorum when proxies are permitted under Section 450.2 of these Bylaws. If less than a quorum is present at any meeting of the Stockholders, the chairman of the meeting may adjourn the meeting from time to time until a quorum is obtained. The Stockholders present in person or by proxy at a duly called meeting at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal of enough Stockholders to leave less than a quorum.

430 Conduct of Annual Meetings

At the Annual Meeting of Stockholders, reports of the Board, including those reports required by Section 1110 of these Bylaws, shall be given by persons designated by the Board. Other items of business which may come before the meeting include, but are not limited to: (1) a determination of a quorum, (2) proof of due notice of meeting, (3) reading and disposition of minutes, (4) annual reports or officers and committees, (5) election of directors and nominating committee members, (6) unfinished business, (7) new business, and (8) a report of the Association's key operating data. All Stockholder meetings shall be conducted in accordance with procedures deemed fair and reasonable by the chairman of the meeting who shall preside at the meeting.

435 Minutes of Meetings

The secretary of the Association shall act as recording secretary at all meetings of Stockholders, unless some other person is designated by the Board or chairman of the meeting to serve in that capacity.

440 Nominating Committee

440.1 At each Annual Meeting, the Voting Stockholders determined as of the Record Date shall elect a nominating committee consisting of at least eleven (11) Stockholders who own or jointly own Class C Common Stock of the Association. Notwithstanding the foregoing, an individual designated in accordance with these Bylaws to vote the Class C Common Stock held by a Voting Stockholder may serve as a member or alternate on the nominating committee of the Association so long as that individual meets all of the other requirements for serving on the nominating committee of the Association. Notwithstanding anything contained herein to the contrary, only one Stockholder jointly sharing ownership of the Class C Common Stock of the Association may seek the opportunity and serve on the nominating committee within an election cycle, and that individual is not required to be designated to cast votes on behalf of all the Stockholders sharing ownership of the Class C Common Stock. In order to stand for election as a member of the nominating committee, the candidate must be a resident of the nominating region corresponding to such seat, as shown below:

| <u>Nominating Committee Seat</u> | <u>Nominating Region</u> |
|--|--------------------------|
| 1 | Hamilton/Rhea/Marion |
| 2 | Bradley/Polk |
| 3 | Bledsoe/Sequatchie |
| 4 | McMinn/Meigs |
| 5 | Monroe/Roane/Loudon |
| 6 | Graves |
| 7 | Carlisle |
| 8 | Hickman |
| 9 | Fulton |
| 10 | Ballard/McCracken |
| 11 | Calloway/Marshall |

Stockholders who do not reside in the Association's chartered territory shall be treated as residing in the nominating region where the branch servicing their loan is located, but are not eligible to serve as members of the nominating committee.

440.2 For purposes of this section, (i) an individual is deemed to reside where the individual maintains his or her primary residence, and (ii) a Stockholder who owns or jointly owns Class C Common Stock is deemed to reside where the individual designated to vote the Class C Common Stock of the Stockholder in accordance with these Bylaws maintains his or her primary residence.

440.3 Notwithstanding anything contained herein to the contrary, no person shall be nominated, elected or appointed, or allowed to continue to serve as a member of the nominating committee of the Association, if that person is the spouse, parent, sibling, natural or adopted child, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law of a: (i) director of the Association, (ii) nominee for election to the Board, (iii) member of the nominating committee of the Association, (iv) nominee for election to the nominating committee of the Association, or (v) salaried officer of the Association.

440.4 Directors, salaried officers, agents and employees of the Association are ineligible to serve on the nominating committee. The committee so elected shall serve for a term of one year or until its successors have been elected and qualified. Nominating committee members may be re-nominated and stand for re-election to serve successive terms on the nominating committee. A nominating committee member may not be a candidate for election to the Board in the same election for which the committee's identifying nominees.

440.5 Voting Stockholders determined as of the Record Date may elect alternate members of the nominating committee from among the nominees presented in accordance with Section 440.1. Vacancies on any nominating committee shall be filled automatically from the alternates so elected.

440.6 The nominating committee shall review a current list of the holders of all classes of Stock of the Association. Such list shall (i) denote the class of Stock held by each such holder, and (ii) shall also include the Voting Stockholders and individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Voting Stockholder, who are eligible to serve as Stockholder-Elected Directors if elected. The nominating committee shall ascertain the willingness of eligible Stockholders who own or jointly own Class C Common Stock of the Association to serve, and shall submit for election a slate of such Stockholders to run as candidates for the Board. In doing so, pursuant to Section 500.1 of these Bylaws, the committee shall select candidates for each director position to be filled from the geographical nominating regions of the Association, to assure representation to all sections of the Association's chartered territory and, as nearly as possible, to all types of agricultural practices within the chartered territory. Members of the nominating committee cannot be nominated for director positions. The election slate shall, except as provided below, include at least two nominees for each position to be filled. If the nominating committee, after diligent effort, is unable to identify more than one eligible Stockholder who is willing to run for a director position that is to be filled, it shall promptly submit to the Board a written explanation of the reasons why it is unable to find more than one such person. If, after three business days following receipt of such explanation, the Board has not sent to the nominating committee a written objection to such explanation, the nominating committee shall be deemed to have authority to submit a slate of nominees providing for only one nominee per position, to the extent described in the explanation. The nominating committee shall also perform the function specified in Section 530.3 hereof.

440.7 The Association will provide the nominating committee reasonable access to administrative resources in order to perform its duties. At a minimum, the nominating committee will be

provided a current list of the holders of all classes of Stock of the Association as set forth in Section 440.6 of these Bylaws, a copy of the most recent Bylaws, the current director qualification policy and a copy of the Director Nomination and Election Process Policy which ensures impartial elections.

440.8 A majority of the nominating committee shall constitute a quorum for transacting the business of the nominating committee. The nominating committee shall keep minutes of its deliberations, which minutes shall be turned over to the Association's chief executive officer or his or her designee to be maintained in accordance with the Association's records disposal schedule.

440.9 The nominating committee shall present a list of candidates for each of the eleven nominating committee seats, who shall be Stockholders that own or jointly own the Class C Common Stock of the Association or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder, for the Voting Stockholders determined as of the Record Date to consider in electing the nominating committee for the following year.

440.10 The nomination of candidate(s) for election to the nominating committee may be made from the floor by Voting Stockholders and individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Voting Stockholder. Nominations from the floor must be eligible and qualified candidates who comply with the nominating region requirements to which the nominating committee seat is assigned. In accordance with Section 400.3, in the event of Sectional Sessions where voting occurs, nominations from the floor will only be accepted at the first Sectional Session and so be announced in the Notice of Meeting, except that if balloting is by mail as provided in Section 510.5(b) hereof, nominations may be made at all Sectional Sessions of the meeting.

440.11 The nominators must be Voting Stockholders or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder. The nominees must be Stockholders that own or jointly own the Class C Common Stock or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder. Any Voting Stockholder, or individual designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder, desiring to nominate a candidate for the nominating committee from the floor shall be responsible for providing in paper or electronic form such nominee's biographical and disclosure information as required by law, Regulations and these Bylaws at such session; provided, however, if voting shall not occur at such session, such nominee's biographical and disclosure information must be received by the Association no later than three (3) business days of the nomination. Disclosure information forms will be available at the Association's corporate office for any potential floor nominee consideration and at the Annual Meeting.

440.12 Upon receiving a floor nomination, the Annual Meeting process will be stopped until eligibility is determined. The nominee's biographical, and disclosure information (if available), will be immediately reviewed by the Association's chief executive officer or designee and due diligence performed to determine initial eligibility. After initial eligibility is determined, the meeting will proceed.

440.13 After receiving a floor nomination, the floor nominee must state if he or she accepts the nomination for election to the Board. Nominations from the floor do not require a "second" before being placed on a ballot, although the chairman conducting the meeting, in his sole discretion, may permit Voting Stockholders to second a nomination to show support.

440.14 Following the Annual Meeting, if the floor nomination is elected to the nominating committee at the Annual Meeting and information not available at the Annual Meeting deems the newly elected nominating committee member ineligible, the nominating committee member shall be immediately removed from office.

440.15 The requirements for a floor nomination of candidates for election to the nominating committee shall be included in the Association's annual meeting information statement as well as in the notice provision for any nominating committee elections.

450 Voting

450.1 Each Voting Stockholder determined as of the Record Date is designated and duly authorized to vote; provided however, each Voting Stockholder determined as of the Record Date shall be entitled to only one vote regardless of the number of single or joint loans such Voting Stockholder may have with the Association. For the purpose of this Section, loan(s) made to one or more members of such Voting Stockholder's household, or to one or more entities in which such Voting Stockholder is an equity owner, and which the Association reasonably believes to be for the sole purpose of creating multiple votes, shall be deemed to be loan(s) made to such Voting Stockholder. In the case of joint loans, the vote may be cast by only one of the joint holders designated and duly authorized by the other joint holder(s) in a writing filed with the Association. The vote of a Voting Stockholder that is a legal entity shall be cast by an individual equity owner or officer of the entity, designated and duly authorized in a writing filed with the Association. Nothing contained herein shall be deemed to preclude an individual from being designated and duly authorized to vote for more than one Voting Stockholder. In no event shall any Voting Stockholder be entitled to cumulate votes.

450.2 Voting by proxy at annual or special meetings shall be permitted when the use of proxies is permitted under the Act and Regulations and approved by resolution of the Board. Proxy forms and ballots shall be prescribed by the Board. The executed proxy shall be filed with the secretary of the Association prior to any or all sessions of the Stockholders' meeting. In the event that the written instrument shall designate two or more persons to act as proxies, a majority of such persons present at the meeting (or, if only one shall be present, then that one) shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated, unless the instrument shall provide otherwise. No proxy shall be valid after the expiration of eleven months from the date of its execution unless coupled with an interest, or unless the person executing it specified therein the length of time for which it is to continue in force, which in no case shall exceed seven years from the date of its execution. Subject to the above, any proxy duly executed continues in full force and effect until a written instrument revoking it or a duly executed proxy bearing a later date is filed with the secretary of the Association. Subject to the foregoing, a Voting Stockholder may revoke a proxy in writing before voting begins at the Stockholder's meeting.

450.3 The Association shall maintain a list of the Members, which list shall include all borrowers who are primarily liable for repayment of a loan to the Association, Stockholders, and Voting Stockholders indicating the names of the individuals that are designated in accordance with these Bylaws to vote the Class C Common Stock of the Stockholders. The list shall be used when mailing or distributing proxies or ballots, and for other purposes as may be authorized by the Board, subject to the Act and the Regulations. The list shall also be used to assure that no Voting Stockholder votes more than once in connection with each meeting of the Stockholders. The list shall also be used for communication among such Stockholders, as provided in the Act and Regulations.

450.4 When a quorum is established in accordance with Section 420 of these Bylaws, the vote of a majority of the Voting Stockholders determined as of the Record Date, present in person, represented by proxy or voting by mail ballot under Section 510.5, shall decide any question brought before the meeting,

unless the question is one upon which by express provisions of these Bylaws, applicable law, or Regulations a different vote is required, in which case such express provision shall govern and control. If a meeting is held in consecutive Sectional Sessions, the results of the votes cast at all sessions of the meeting shall be reported to the Stockholders only after the last Sectional Session

450.5 Any action required to be taken, or which may be taken, at any annual or special meeting of Stockholders may be taken without a meeting, without notice, and without a vote, if consent in writing, setting forth the action to be taken, shall be signed by 75% of the Voting Stockholders, or by their duly authorized representatives, entitled to vote with respect to the subject matter thereof.

450.6 The record date for the determination of those Stockholders entitled to vote ("Record Date") shall be set by the Board as of the close of business of a day not less than 10 business days, but not more than 90 business days preceding the date of the meeting.

Article V Board of Directors

500 Number of Directors

500.1 The Board shall consist of no more than nine (9) directors, of which seven (7) directors shall be elected by the Voting Stockholders ("Stockholder-Elected Directors") and two (2) directors shall be appointed by the Board in accordance with Section 500.4 hereof; provided however, the Stockholder-Elected Directors shall constitute at least 60 percent of the members of the Board. Except for the Outside Director(s), no person shall be nominated, elected or appointed, or allowed to continue to serve, as a director, unless he or she is an owner or joint owner of Class C Common Stock as of the Record Date, or is an individual designated in accordance with these Bylaws to vote the Class C Common Stock of a Stockholder; is a bona fide farmer, rancher, or producer or harvester of aquatic products; and resides in the Association's chartered territory. In order to stand for election or be appointed to a Stockholder-Elected Director position, the candidate must be a resident of the nominating region corresponding to such seat, as shown below:

| <u>Stockholder-Elected Director Seat</u> | <u>Nominating Region</u> |
|---|--|
| | <i>West Region - Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, McCracken, Marshall Counties</i> |
| | <i>East Region - Bledsoe, Bradley, Hamilton, Loudon, Marion, McMinn, Meigs, Monroe, Polk, Rhea, Roane, and Sequatchie Counties</i> |
| 1 | West |
| 2 | West |
| 3 | West |
| 4 | West |
| 5 | East |
| 6 | East |
| 7 | East |

Stockholders who do not reside in the Association's chartered territory shall be treated as residing in the nominating region where the branch servicing their loan is located, but are not eligible to serve as Stockholder-Elected Directors.

For purposes of this section, (i) an individual is deemed to reside where the individual maintains his or her primary residence, and (ii) a Stockholder who owns or jointly owns Class C Common Stock is deemed to reside where the individual designated to vote the Class C Common Stock of the Stockholder in accordance with these Bylaws maintains his or her primary residence.

Each Voting Stockholder determined as of the Record Date shall be accorded the right to vote in the election of each Stockholder-Elected Director.

Every three years, the Board, based upon the Association's most recent address for each Stockholder who owns or jointly owns Class C Common Stock, shall compare the number of Stockholders who own or jointly own Class C Common Stock in each nominating region as set forth in Section 500.1 to determine if the nominating regions have approximately equal number of Stockholders who own or jointly own Class C Common Stock. In the event the number of such Stockholders who own or jointly own Class C Common Stock in any one nominating region exceeds the number of Stockholders who own or jointly own Class C Common Stock in any other nominating region by more than twenty-five (25%) percent, the Board shall adjust the boundaries of each nominating region to achieve such a result.

500.2 a. Each Stockholder-Elected Director of the Board shall keep all of his System loans current and in an "acceptable" (4-9), classification at all times, as the term is defined under the Uniform Classification System adopted by the System.

b. If a Stockholder-Elected Director's loan is classified "other assets especially mentioned" (10) classification, as the term is defined under the Uniform Classification System adopted by the System, the following procedure shall apply:

1. Any Stockholder-Elected Director with any portion of a loan classified "other assets especially mentioned" (10) by an Association internal classification must within 60 days from receipt of written notification thereof, prepare and submit a plan to upgrade the quality of the loan within a reasonable period of time, but not to exceed 12 months after notification of the classification. Failure to upgrade the loan classification within the one year period will require the director's resignation.
2. An individual is not eligible to be elected or appointed as a director if all or a portion of the individual's loan, or a loan(s) of a borrower in which the individual has a controlling interest is adversely classified (11).
3. Any Stockholder-Elected Director with any portion of a loan classified as "substandard" (11) or nonaccrual (12) "doubtful" (13) or "loss" (14) classification by an Association internal classification requires immediate resignation by the Stockholder-Elected Director.
4. In the event a Stockholder-Elected Director's loan become delinquent and is not returned to current status within 90 days after the delinquency occurs, the Stockholder-Elected Director shall be automatically removed from the Board.

500.3 Each person elected to the board shall serve in accordance with Section 520 of these Bylaws. At least one Stockholder-Elected Director shall be elected at each Annual Meeting. All candidates shall be listed on the ballot by the position to be filled. Incumbents will not be designated as such on the ballot.

500.4 Notwithstanding any other provision of these Bylaws, at least one member of the Board shall be a person who is not a director (other than of the PCA or FLCA), officer, employee, stockholder or agent of any System institution (the "Outside Director") at the time that such person becomes a director of the Association, and while serving as a director of the Association. So long as the Association has total assets exceeding \$500 million on January 1 of each calendar year, the Board shall have no fewer than two Outside Directors. Each Outside Director shall be elected to the Board by all of the directors (other than the Outside Director seeking reelection). Except as expressly otherwise provided in these Bylaws, the qualifications, manner of nomination, election, bases of removal, and related matters respecting the Outside Director(s) shall be determined from time to time by the Board, subject to applicable Regulations. The term of the Outside Directors shall be the same as those for Stockholder-Elected Directors. The Outside Director shall be automatically removed from the Board if and when he or she becomes a director (other than of the PCA or FLCA), officer, employee, stockholder or agent of a System institution.

505 Additional Qualifications of Directors

505.1 An individual designated to vote the Class C Common Stock held by an entity may serve as a Stockholder-Elected Director provided that such individual meets all other requirements contained in these Bylaws for serving as a Stockholder-Elected Director of the Association.

505.2 Notwithstanding anything contained herein to the contrary, no person shall be nominated, elected or appointed, or allowed to continue to serve as a director of the Association, if that person is the spouse, parent, sibling, natural or adopted child, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law of a: (i) director of the Association, (ii) nominee for election to the Board, (iii) member of the nominating committee of the Association, (iv) nominee for election to the nominating committee of the Association, or (v) salaried officer of the Association.

505.3 No individual who is, or has been within fifteen (15) years preceding the beginning of his or her term, a salaried officer or employee of the Association or of any other System institution, shall be eligible to be elected and may not serve as a director. No individual shall be a director of this Association and another federal land bank association, production credit association or agricultural credit association simultaneously (other than PCA and FLCA). Notwithstanding anything contained herein to the contrary, a director of the Association may serve simultaneously on the board of directors of the FCB. A legally authorized representative of a deceased or incompetent member shall be ineligible to be elected as a Stockholder-Elected Director unless such representative is a Stockholder who is an owner or joint owner of Class C Common Stock in his or her own right or is designated to vote the Class C Common Stock of a Voting Stockholder.

505.3 No individual shall become or continue as a director if the individual is a director, officer, employee or agent of any other financial institution which is authorized to make the same types of loans that may be obtained through this Association.

505.4 No director shall be eligible to continue to serve in that capacity and his or her office shall become vacant if after election as a member of the Board, he or she becomes legally incompetent or is convicted of any felony or criminal offense involving dishonesty or breach of trust while holding office or held liable in damages for fraud.

505.5 A director shall automatically be removed from the Board and his or her office shall automatically become vacant in the event such director: (1) files a voluntary petition for relief in bankruptcy, or otherwise institutes suit under applicable voluntary Federal or state bankruptcy, insolvency, or receivership laws; or (2) is adjudged a debtor in an involuntary Federal bankruptcy proceeding or placed

in receivership in a state proceeding; or (3) seeks reorganization under the Federal bankruptcy laws of personal business interests or those of a corporation in which the director owns the controlling interest; or (4) is party to a foreclosure proceeding (judicial or non-judicial) involving property in which the director has an interest which is instituted because of the director's default on any indebtedness to a System institution.

505.6 The absence of a director from two consecutive regular meetings of the board, unless explained to the satisfaction of the other directors, shall automatically terminate such director's service and the vacancy shall be filled as provided in Section 530 of these Bylaws.

505.7 No individual shall be eligible for election or re-election as a director if he or she is 70 years of age or older on or before the date of such election or re-election or appointment to the Board. A director serving at the time of his or her 70th birthday may complete such director's then current term.

505.8 No person shall be nominated, elected or appointed or continue to serve if such person's service is prohibited by the Regulations.

505.9 If the Class C Common Stock held by a director is converted during the director's term into other stock, such conversion shall not disqualify the director from completing his or her term.

510 Election of Directors

510.1 In the manner provided in these Bylaws, the Voting Stockholders determined as of the Record Date shall elect each year one or more directors as may be required to fill the position of each director whose term is expiring or to fill any vacancy on the Board.

510.2 (a) At each meeting at which Stockholder-Elected Directors are to be voted upon (including voting to be conducted after such meeting by mail ballot under Section 510.5(b)), the nominating committee with respect to each Stockholder-Elected Director seat in which there is a term expiration or vacancy shall submit a slate of candidates for election to the Board who comply with the eligibility and qualification requirements of the nominating region corresponding to such seat as set forth in Section 500.1, after which the chairman of the meeting will entertain nominations from the floor for candidates for election to the Board. Nominations from the floor must meet the same eligibility and qualification requirements as candidates nominated by the nominating committee. In accordance with Section 400.3, in the event of Sectional Sessions where voting occurs, nominations from the floor will only be accepted at the first Sectional Session.

(b) The nominators must be Voting Stockholders or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder. The nominees must be Stockholders that are owners or joint owners the Class C Common Stock of the Association or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Stockholder. Any Voting Stockholder, or individual designated in accordance with these Bylaws to vote the Class C Common Stock held by a Voting Stockholder, desiring to nominate a candidate for director from the floor at a voting session of the stockholders shall be responsible for providing in paper or electronic form such nominee's biographical and disclosure information as required by law, Regulations and these Bylaws at such session; provided, however, if voting shall not occur at such session, such nominee's biographical and disclosure information must be received by the Association no later than three (3) business days of the nomination. Disclosure information forms will be available at the Association's corporate office for any potential floor nominee consideration and at the Annual Meeting.

(c) Upon receiving a floor nomination, the Annual Meeting process will be stopped until eligibility is determined. The nominee's biographical, and disclosure information (if available), will be immediately reviewed by the Association's chief executive officer or designee and due diligence performed to determine initial eligibility. After initial eligibility is determined, the meeting will proceed.

(d) After receiving a floor nomination, the floor nominee must state if he or she accepts the nomination for election to the Board. Nominations from the floor do not require a "second" before being placed on a ballot, although the chairman conducting the meeting, in his sole discretion, may permit Voting Stockholders to second a nomination to show support.

(e) Following the Annual Meeting, if the floor nomination is elected to the Board at the Annual Meeting and information not available at the Annual Meeting deems the newly elected director ineligible, the director shall be immediately removed from office and the position filled per Section 530 of these Bylaws.

(f) The requirements for a floor nomination of candidates for election to the Board shall be included in the Association's information statement as well as in the notice provision for any director elections.

510.3 Except as provided in Section 440.6 of these Bylaws, two or more different candidates shall stand for election for each vacancy. If more than one position is to be filled, the election with respect to each position shall be conducted independently. The candidate receiving the largest number of votes for each position shall be declared elected.

510.4 After the chairman conducting the meeting closes the floor nominations, unless voting shall be by mail ballot under Section 510.5(b), the Voting Stockholders determined as of the Record Date shall then cast ballots and the chairman of the meeting shall appoint a tellers committee of Voting Stockholders or individuals designated in accordance with these Bylaws to vote the Class C Common Stock held by a Voting Stockholder, to tally the ballots. Salaried officers and employees and Voting Stockholders who are directors, candidates, or members of the nominating committee and alternates are ineligible to serve on the tellers committee. In lieu of a tellers committee, a third independent party may be retained to tally the votes.

510.5 Methods of Casting Ballots

The Board shall establish by resolution, and shall announce in the notice of meeting, the method of casting ballot for Stockholder-Elected Directors under this Section and for nominating committee members under Section 440 of these Bylaws, from the following alternatives:

a. Casting ballots at Annual Meetings

(1) After the chairman conducting the meeting closes the floor nominations, the Voting Stockholders determined as of the Record Date shall cast their ballots. The tellers committee, or such independent third party if retained to tally the votes, shall convene to tally the ballots and shall report the results to the chairman conducting the meeting, who shall then inform the Stockholders of the results. If the meeting is held in consecutive Sectional Sessions, the results of the votes cast at all sessions of the meeting shall be reported only after the last Sectional Session.

(2) If a person is elected to a position because of a tie vote, a runoff election

between those tying shall be held, and the results shall be reported in the same manner as in the original election. However, if the tie is between only two candidates and if the candidates agree, the tie may be broken by any other method approved by the Board. If an Annual Meeting is held in Sectional Sessions and a tie vote occurs, the tie shall be broken by reballoting, by mail, those Voting Stockholders which were registered as being in attendance at a Sectional Session. Within 15 business days following the last Sectional Session, ballots shall be mailed. The election polls shall be closed at the end of the 25th business day following the date on which the ballots were mailed to the eligible Voting Stockholders. Unless an independent third party has been retained to tally the votes, on the first business day after the polls are closed, the tellers committee, shall convene in the office of the Association to tally the ballots returned to the Association prior to the closing of the polls. The tellers committee, or such independent third party if retained to tally the votes, shall report the results of the election to the chief executive officer who shall send a notice to the Stockholders announcing the results of the election.

b. Casting Ballots by Mail

The Board may elect to hold all voting for directors and nominating committee members by mail ballot. The procedure for such mail ballot shall be as follows:

(1) Within fifteen (15) business days following the date of the Annual Meeting, or of the last Sectional Session if the Annual Meeting is held in Sectional Sessions, a ballot shall be mailed to each Voting Stockholder determined as of the Record Date. The election polls shall be closed at the end of the 25th business day following the date on which the ballots are mailed to the Voting Stockholders. Unless an independent third party has been retained to tally the votes, on the first business day after the polls are closed, the tellers committee shall convene in the office of the Association to tally the ballots returned to the Association prior to the closing of the polls. The tellers committee, or such independent third party if retained to tally the votes, shall report the results of the election to the chief executive officer, who shall send a notice to Stockholders announcing the results of the election. Mailing a ballot to a Voting Shareholder's address as recorded in the books or records of the Association shall be conclusive evidence of receipt of the ballot by the Voting Shareholder. The receipt, collection, and tallying of ballots may be under the supervision and guidance of either the Association's legal counsel or outside auditing firm. If the Board so directs, the legal counsel or outside auditing firm shall certify as to the results of the election prior to any public announcement of the results of the election.

(2) If no person is elected to a position because of a tie vote, a runoff election between those tying shall be held, the ballots cast by mail and counted, and the results reported as outlined in Section 510.5(b)(1) above. However if the tie is between two candidates and if the candidates agree, the tie may be broken by any other method approved by the Board.

520 Term

520.1 A director shall serve until the third Annual Meeting after being elected and thereafter until such director's successor has been elected and qualified; or, with respect to directors elected to complete partially expired terms, for the unexpired portions of such terms. No director shall serve in the event such director resigns, is removed from office, or becomes unable to act by reason of death or disqualification. Nothing herein restricts the rights of the Voting Stockholders acting pursuant to these Bylaws, to shorten any term being served by a director or to terminate any position being occupied by such director. The terms and basis for removal of the Outside Directors shall be the same as those for directors elected by the Voting Stockholders.

520.2 If, as a result of change in the number of directors or for other reasons, the terms of directors do not expire on a staggered basis, the terms of the directors elected thereafter shall be for such periods, not to extend beyond the third Annual Meeting thereafter, as will re-establish expiration of terms of directors on an equitably staggered basis.

530 Vacancies

530.1 Subject to Section 5.34 of the Act, whenever a vacancy occurs in a Stockholder-Elected Director seat, other than from the expiration of a term of office, the remaining directors shall appoint a Stockholder who owns or jointly owns Class C Common Stock, or an individual designated to vote the Class C Common Stock of a Stockholder in accordance with these Bylaws, who complies with the eligibility and qualification requirements of the nominating region corresponding to such seat as set forth in Section 500.1 to fill the vacancy until the next Annual Meeting at which time an election will be held to fill the vacancy; provided, however, that if the vacancy occurs within six months preceding the next Annual Meeting, the Board may elect not to appoint a replacement and instead keep the position vacant until such Annual Meeting. Any director so elected shall not be treated as a Stockholder-Elected Director for purposes of any FCA Regulation imposing a minimum percentage of directors that must be Stockholder-Elected Directors.

530.2 Whenever a vacancy in the Outside Director position occurs on the Board, then either (a) the remaining members of the Board, including Outside Directors, will appoint a replacement Outside Director to serve the remaining unexpired term, or (b) the Board will determine to retain the vacancy in the Outside Director seat so long as there is at least such number of remaining Outside Directors currently serving as set forth in Section 500.4, unless otherwise provided by law, regulation, or these Bylaws.

530.3 Subject to Section 5.34 of the Act, if all or a majority of the director positions become vacant for any reason, the nominating committee shall promptly meet, and, by a vote of a majority of the committee's members who are present at such meeting (provided a quorum of the committee is present), shall appoint eligible and qualified persons to fill sufficient vacancies on the Board to constitute a quorum. The Board shall thereafter promptly elect eligible and qualified Stockholders who own or jointly own Class C Common Stock to fill the remaining vacancies. Such Directors appointed pursuant to this Section 530.3 shall be elected to serve until the next Annual Meeting or a special meeting of Stockholders called to elect director(s).

530.4 Notwithstanding the foregoing, an election shall be promptly held to fill a vacancy if necessary to comply with any FCA Regulation specifying a minimum percentage of the members of the Board that must be elected by Voting Stockholders.

540 Duties of Directors

540.1 The Board shall be responsible for the general control and direction of the affairs of the Association. The Board shall determine Association policy matters, periodically review the Association's operations, and keep itself informed of the Association's fulfillment of its objectives, goals and responsibilities in accordance with the provisions of the Act and the Regulations. The Board shall recognize that the Association, PCA and FLCA are responsible for, and dependent on, each other's financial condition. Accordingly, the Board shall govern the Association's affairs and establish policies with the primary objective of improving the three institution's combined financial condition.

540.2 The Board shall: (1) appoint and fix the salary of the chief executive officer; (2) prescribe the duties and responsibilities of the chief executive officer, who shall be responsible for the management

of the Association and (3) provide for the payment from the Association's general funds of the reasonable and necessary expenses incurred by officers, employees and committees of the Association in connection with the Association's business.

550 Board Meetings

550.1 Regular meetings of the Board shall be scheduled and held at least quarterly at such times and at such places as the Board by resolution shall determine.

550.2 Special meetings of the Board shall be held whenever called by: (1) the Chairman of the Board, (2) the chief executive officer, or (3) a majority of the directors.

550.3 Meetings may also be conducted by telephone conference call provided a reasonable attempt is made to reach all directors, a quorum is present, and technical arrangements permit all participating individuals to hear each other at the same time. Such participation shall constitute presence in person at the meeting.

550.4 Notice of each meeting of the Board, except regularly scheduled meetings specified by resolution of the Board, shall be given to each director by the chief executive officer, secretary, or by another employee of the Association as may be designated by the Board. Such notice may be given by mail, other written or electronic means, or by telephone. If given by mail, such notice shall be mailed at least ten days before the meeting date. If given by electronic or telephonic means, such notice shall be sent at least two days before the meeting date. If given by telephone, the chief executive officer, secretary or designated employee shall make a reasonable effort to reach all directors, and shall certify that such notice has been given, or such efforts made, at least two days before the meeting date. Notice of any meeting may be waived in writing either before or after the meeting. On the signing of the waiver of notice of a meeting by a majority of the directors, a meeting of the Board may be held at any time. Participation at a meeting shall constitute waiver of notice of that meeting, except where the director attends the meeting for the sole and express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

550.5 Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing (which consent shall constitute the vote of the Board), and the writing or writings are filed with the minutes of the proceedings of the Board or committee, as the case may be.

555 Officers of the Board; Duties; Removal

555.1 As soon as practical following the Annual Meeting, and at such other times as necessary to fill vacancies, the Board shall elect a Chairman and a Vice Chairman from among the members of the Board.

555.2 The Chairman shall: (a) preside at all meetings of the Board; (b) unless the Board designates another person, preside at all meetings of the Stockholders; and (c) perform such other duties as may be prescribed by the Board.

555.3 In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman. In the absence of the Chairman and Vice Chairman, one of the other directors shall be elected by those present to preside over the meeting.

555.4 The Chairman and the Vice Chairman of the Board may be removed from such positions with or without cause by a majority vote of the entire membership of the Board.

560 Honoraria

The Association may allow directors reasonable honoraria for attendance at Board or committee meetings, or for special assignments. The Association may also reimburse directors for reasonable expenses incurred in connection with such meetings or assignments. However, when a director represents both this Association and another system institution, the honoraria and expenses may be shared on a pro rata basis between the two institutions. The FCB may share in the payment of a director's honoraria when agreed to by the Association and the FCB in accordance with FCB policies.

570 Quorum and Majority Vote

A majority of the directors then serving in office at a meeting duly assembled shall be necessary to constitute a quorum for the transaction of business, and 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, except as may be otherwise specially provided by law, Regulations or these Bylaws. If a quorum shall not be present at any meeting of the directors, the directors in attendance may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The directors present at a duly convened meeting may continue to transact business until adjournment notwithstanding the withdrawal from the meeting of enough directors so that less than a quorum remains.

580 Removal

580.1 Except as set forth in Section 580.2 hereof, a director may be removed from the Board by a majority vote of the Voting Stockholders determined as of the Record Date, present in person or by proxy, at an annual or special meeting of the Stockholders upon a motion for removal, duly made, seconded and carried, provided the notice of the meeting contains a statement that such removal is to be considered.

580.2 When the removal of an Outside Director is sought before the expiration of the Outside Director's term, the reason for removal must be documented. A person serving in the Outside Director position may be removed from the Board by a majority vote of all Voting Stockholders determined as of the Record Date, in person or by proxy, or a two-thirds majority vote of the full Board present at a Board meeting upon a motion for removal, duly made, seconded and carried, provided the notice of the meeting contains a statement that such removal is to be considered. The Outside Director subject to the removal action is prohibited from voting in his or her own removal action.

590 Resignation

A director may resign by delivering written notice to the Board specifying the date upon which such resignation is to be effective.

Upon being elected or appointed as a director of the Association, such director shall automatically become a member of the Boards of Directors of PCA and FLCA and shall remain on such Boards so long as such individual remains a member in good standing of the Association's Board.

Article VI Officers and Employees

600 Appointment and Qualifications

600.1 The Board shall appoint a chief executive officer of the Association who shall serve at the pleasure of the Board and shall continue in office until a successor is appointed and takes office, unless the chief executive officer resigns, dies, retires or is removed by the Board. Other Association officers shall include a secretary, treasurer and any other salaried officers as may be provided for by the Board. Individuals may be appointed to these positions by the Board or by the chief executive officer as prescribed in Section 610.1 of these Bylaws. A combination of these offices may be held by one individual, except that no person may simultaneously serve as chief executive officer and secretary.

600.2 No individual shall be eligible to become a salaried officer or employee of the Association if, within the previous twelve months, such individual served as a director of the Association.

600.3 Except with the prior written consent of the FCA, no individual shall be eligible to become or continue to serve as a salaried officer or employee of the Association if he or she becomes legally incompetent or is or has been convicted of any criminal offense involving dishonesty or a breach of trust or held liable in damages for fraud.

610 Duties of Officers

610.1 The chief executive officer shall: (a) see that all lawful orders and resolutions of the Board, all applicable provisions of the Act and Regulations, and all policies and procedures prescribed by FCB are carried into effect; (b) perform such duties and exercise such authority as directed by the Board; (c) be responsible for the ordinary and usual business operations of the Association; and (d) unless this power is reserved to or limited by the Board, employ, supervise and dismiss any and all other officers and employees of the Association, fix their compensation, and designate the order of precedence in which the other officers shall act in the absence of any officer. The chief executive officer may have the title of president, manager, general manager or any other title as determined by the Board.

610.2 The secretary shall: (a) keep a complete record of all meetings of the Stockholders and of the Board, but not of meetings of the nominating committee; (b) be responsible for the corporate records of the Association; (c) keep the corporate seal, if any, and affix it to all Association documents requiring a seal; (d) make such reports as may be required by the Act or the Regulations; and (e) perform such other duties as may be required by the chief executive officer or by the Board.

610.3 The treasurer or chief financial officer shall: (a) have custody of all funds, securities, and assets of the Association; (b) provide full and complete records of all assets and liabilities of the Association; (c) make such reports as may be required by the Act or the Regulations; (d) maintain complete equity ownership records; and (e) perform such other duties with respect to the finances of the Association as may be prescribed by the chief executive officer or by the Board.

620 Removal

The chief executive officer may be removed from office with or without cause by a majority vote of the entire membership of the Board.

625 Joint Management

Unless the Board directs otherwise, all officers appointed hereunder shall have the same positions and authorities with respect to Association, PCA and FLCA.

Article VII Committees

710 Loan Committee

The Board may delegate to the chief executive officer, individual employees, and committees of employees of the Association the authority to approve applications for loans or participations within specified limits. No loan shall be made unless the application therefore has received the unanimous approval of the members of the loan committee present at the meeting at which action is taken. The loan committee shall have and may exercise such other authorities as the Board may delegate to it. Such delegated authority may include the authority to communicate on an ongoing basis with loan committees or other appropriate persons and entities at other associations or at the FCB respecting participations of loans. Periodic reports of all actions taken by the loan committee will be provided to the Board. Reporting shall be limited to a summary of the loan committee's activities, including the number of loans and volume totals by office, and excluding any individual loan information. Unless the Board directs otherwise, upon an Authorization Event, the members of the Association's Loan Committee shall become members of the Loan Committees of PCA and FLCA.

715 Audit Committee

The Board shall appoint an audit committee of at least three Board members, to act in accordance with its Board-approved charter. The audit committee will be responsible for the following: (i) oversee management preparation of financial reports to shareholders; (ii) determine the appointment, compensation, and retention of external auditors, and review the external auditors work; and (iii) oversee managements system of internal controls relating to the preparation of financial reports, to include controls relating to the institutions compliance with applicable laws and regulations. The audit committee must have at least one Board member designated as the "Financial Expert" as defined in the Regulations.

716 Compensation Committee

The Board will establish a compensation committee of at least three Board members, to act in accordance with its Board-approved charter. The compensation committee will have the responsibility of reviewing and approving the compensation policies and plans for senior officers and employees.

717 Governance Committee

The Board will establish a governance committee of at least three Board members, to act in accordance with its Board-approved charter. The governance committee will be responsible for the following: (i) evaluate and recommend to the Board candidates to be appointed Board members; (ii) review, evaluate and recommend levels of Board compensation, honorarium and travel expense reimbursement; (iii) review and recommend availability and levels of continuing education and training for directors; and

(iv) ensure that the board self-evaluation is completed annually.

718 Risk Management Committee

The Board will establish a risk management committee of at least three Board members, to act in accordance with its Board-approved charter. The risk management committee will assist the Board in fulfilling its responsibilities related to the oversight of the Association's risk management policies and practices.

720 Other Committees

The Board may, at its discretion, appoint such other committees as may be necessary or desirable, may appoint or discharge members of such committees, and shall prescribe the duties and responsibilities of each such committee it establishes.

725 Quorum.

A majority of any committee shall constitute a quorum.

730 Withdrawal from Meeting

A member of the Board or an employee serving on any committee shall withdraw from the meeting of the Board or committee during its deliberation and determination of any matter related to the director's or employee's personal interests, and the minutes of the meeting shall reflect such withdrawal.

740 Minutes

Each committee shall keep a written record of its proceedings, which the Association shall retain consistent with the requirements of the Act, FCA Regulations and the Association's record retention policies.

750 Vacancies

Vacancies on any committee shall be filled by vote of the entire Board.

Article VIII Capital Stock and Participation Certificates

800 Authorization, Classes and Par or Face Value

The Association is authorized to have outstanding stock designated as Class B Common Stock and Class C Common Stock, respectively, and nonvoting Class C Participation Certificates in the amounts as authorized herein and as may be necessary to conduct its business. Each share of Stock and unit of Participation Certificates shall have a par or face value of \$5. Fractional shares of Stock or units of Participation Certificates shall not be issued. All transfer, exchange, conversion and retirement of Stock and Participation Certificates shall be at book value not to exceed par.

810 Evidence of Ownership

Evidence of ownership of Stock and Participation Certificates may be by book entry or in definitive form as prescribed by the Board in accordance with the Act and the Regulations.

820 Issue

820.1 Reserved.

820.2 Up to 50 million shares of Class B Common Stock may be issued to investors in such amounts as may be permitted under a plan adopted by the Board in accordance with the Act and the Regulations, and in an unlimited amount as allocated surplus distributions, dividend payments and patronage distributions in accordance with Article IX of these Bylaws. Class B Common Stock is non-voting.

820.3 An unlimited amount of Class C Common Stock may be issued to bona fide farmers, ranchers, producers or harvesters of aquatic products, who are borrowers or are about to become borrowers. Class C Common Stock is voting.

820.4 An unlimited amount of Class C Participation Certificates (hereinafter "Participation Certificates") may be issued to borrowers or applicants who are (a) rural residents for housing financing; (b) persons or organizations furnishing to farmers farm-related services and (c) persons or organizations who are eligible to borrow or participate in loans from the Association, PCA or FLCA but are not eligible to hold voting stock. Participation Certificates also may be issued for allocated surplus distributions, dividend payments and patronage distributions in accordance with Article IX of these Bylaws. In addition, Participation Certificates may be issued to any person who is eligible to be a Voting Stockholder for the purpose of qualifying such person for technical assistance, financially related services and leasing services offered by the Association, PCA or FLCA. Holders of Participation Certificates shall not be entitled to vote.

820.5 Class C Common Stock and Participation Certificates shall be purchased by borrowers eligible to hold such equities as a condition for obtaining a loan from Association, PCA and FLCA in an amount as may be determined by the Board at its discretion within a range between a minimum of two percent (2%) of the loan amount or \$1,000.00, whichever is less, and a maximum not to exceed ten percent (10%) of the loan amount; provided, however, the Board may require new borrowers to purchase more Class C Common Stock or Participation Certificates if the Association is deemed not to be in compliance with the capital requirements of the Act and Regulations.

820.6 Dividends on any of the foregoing classes of Stock shall be payable solely at the discretion of the Board and shall be non-cumulative.

825 Loans Designated for Sale or Sold Into the Secondary Market

825.1 Notwithstanding any other provision of these Bylaws, no voting stock or participation certificate purchase requirement shall apply with respect to a loan that is made on or after December 12, 1996, and is designated at the time made for sale into a secondary market; provided that, if a loan designated for sale into a secondary market is not sold within 180 days following the date of such designation, the voting stock or participation certificate requirement otherwise applicable to the loan in the absence of this bylaw provision shall apply.

825.2 Notwithstanding any other provision of these Bylaws, all outstanding voting stock or participation certificates held by a borrower with respect to a loan shall be retired if: (a) the loan is made prior to December 12, 1996, it is sold into a secondary market, and the permanent capital of the Association, would not, after or due to such retirement, fail to meet the applicable minimum capital adequacy standards established by the Act or Regulations; or (b) the loan is made on or after December 12, 1996, it is designated at the time made for sale into the secondary market, it is sold into such market after the 180 day period beginning on the date of such designation, and the permanent capital of this Association would not, after or due to such retirement, fail to meet the applicable minimum capital adequacy standards established by the Act or Regulations.

830 Transfer

830.1 Class B Common Stock, Class C Common Stock and Participation Certificates may be transferred to persons or organizations eligible to receive or to hold such Stock or Participation Certificates as provided in Section 820 of these Bylaws. Until such time as the Association meets the minimum permanent capital standards established by the FCA, all stock required to be purchased as a condition for obtaining a loan shall be purchased from the Association.

830.2 The Association shall serve as its own transfer agent in all matters relating to its stock and participation certificates.

840 Conversion

840.1 Each class of Stock and Participation Certificates may be converted into any other class of Stock or Participation Certificates for which the holder is eligible as provided in Section 820.

840.2 Class C Common Stock shall be converted into Class B Common Stock within two years after the holder thereof ceases to be a borrower from the Association, PCA and FLCA.

850 Retirements

850.1 Class B Common Stock, Class C Common Stock and Participation Certificates may be retired by the Association, at the sole discretion of the Board, provided minimum permanent capital standards are met and continue to be met. If retired, Class B Common Stock, Class C Common Stock and Participation Certificates, shall be retired at book value not to exceed par. The proceeds thereof shall be paid to the holder or applied against the borrower's indebtedness to the Association, PCA and FLCA.

850.2 Subject to the Act and Regulations, when a borrower is in default, the Association may, upon notice to such borrower, order the retirement of any Stock or Participation Certificates held by the borrower and the proceeds thereof applied against the borrower's indebtedness to the Association, PCA and FLCA.

860 Impairment

860.1 Any losses which result in an impairment of the Association's capital shall be borne ratably by, first, each share of Class B Common Stock, Class C Common Stock, and unit of Participation Certificates outstanding, all as of the date such losses are determined.

860.2 Impaired Stock and Participation Certificates shall be restored in the reverse of the sequence set forth in Section 860.1 until each share of Stock and unit of Participation Certificates has a book value equal to the par value or face value respectively.

870 Lien

Except with respect to Stock or Participation Certifications held by other system institutions, the Association, PCA and FLCA, as applicable, shall have a first lien on all Stock and Participation Certificates in the Association owned by any borrower as additional collateral for any indebtedness of such borrower to the Association, PCA and FLCA.

880 Distribution on Liquidation

In the event of liquidation or dissolution of the Association, any assets of the Association remaining after payment or retirement of all liabilities, shall be distributed in the following order of priority:

a. First, to the holders of Class B Common Stock, Class C Common Stock and Participation Certificates, pro rata in proportion to the number of shares or units of each such class of stock or participation certificates then issued and outstanding, until an amount equal to the aggregate par value or face amount of all such shares or units has been distributed to such holders;

b. Second, to the holders of allocated surplus evidenced by qualified written notices of allocation, in the order of the year of issuance, until the total amount of such account has been distributed;

c. Third, to the holders of allocated surplus evidenced by non-qualified written notices of allocation, in the order of the year of issuance, until the total amount of such account has been distributed; and,

d. Fourth, any remaining assets after such distribution shall be distributed to present and former Patrons, to the extent practicable.

All distributions to the holders of any class of stock and/or participation certificate holders shall be made in proportion to the number of shares or units of such classes of stock or participation certificates held by such holders. All distributions to holders of allocated surplus shall be pro-rata by year of issuance.

890 Amendment to Capitalization Bylaws and Issuance of Preferred Stock

Any amendment to Articles VIII and IX of these Bylaws or to the capitalization bylaws of PCA or FLCA, other than those of a strictly technical nature not affecting substantive rights, shall not become effective unless approved by Voting Stockholders at a duly authorized meeting of Members. Any amendment authorizing the issuance of preferred stock shall not become effective unless approved by a majority of the shares voting of each class of equities affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

Article IX Earnings, Surplus, Dividends and Patronage Distributions

900 Capitalization Plan

The Board shall adopt, maintain and amend from time to time, as Board deems appropriate, a consolidated capitalized plan for the Association, PCA and FLCA. The capitalization plan shall be designed

to enable the Association to meet the capital adequacy standards established in the Regulations. Subject to these Bylaws, the capitalization plan shall provide for, among other things, the manner in which the Association's Stock and Participation Certificates and allocated equities shall be issued, transferred and retired. In connection with the Capitalization Plan, no dividends shall be cumulated.

910 Application of Earnings or Losses

910.1 At the end of the fiscal year, the Association shall apply its earnings (including patronage allocations and refunds received from the FCB) for such fiscal year in the following order:

- a. to cover operating expenses, including additions to loan valuation reserves as provided by law;
- b. to restore the amount of any impairment of Stock and Participation Certificates as prescribed in Section 860.2 of these Bylaws;
- c. to restore the amount of any impairment of allocated surplus in the reverse order of impairment;
- d. to create and maintain an unallocated surplus as provided in Section 920 of these Bylaws
- e. to pay dividends on Stock of the Association if authorized pursuant to Section 940 of these Bylaws;
- f. to make patronage distributions if authorized pursuant to Section 950 of these Bylaws.

910.2 In the event of a net loss for any fiscal year, after applying earnings for such fiscal year as provided in Section 910.1(a) above, such loss shall be absorbed: first, by charges to the unallocated surplus account; second, impairment of allocated surplus evidenced by nonqualified written notices of allocation in the reverse order of issuance and pro-rata by year of issuance; third, impairment of allocated surplus evidenced by qualified written notices of allocation in the reverse order of issuance and pro-rata by year of issuance; and fourth, impairment of Class C Common Stock, Class B Common Stock and Participation Certificates.

920 Surplus Accounts

The Association shall create and maintain an unallocated surplus account and may maintain an allocated surplus account. The minimum aggregate amounts of these two accounts shall be as prescribed by the Board. Except as provided in Section 910, the unallocated surplus account may not be reduced and no part thereof may be transferred to the allocated surplus account.

930 Allocated Surplus Account

930.1 As set forth in the Capitalization Plan, the Association may create, and subject to the Regulations, and Association policy, may maintain an allocated surplus account consisting of earnings held therein and allocated to borrowers on a patronage basis. Allocated surplus may be issued as either "qualified notices of allocation" or "non-qualified notices of allocations," or both, as those terms are

defined under Internal Revenue Code ("Code") Section 1388:

(a) All allocations in the form of qualified written notices of allocation shall be issued in annual series and shall be identified by the year of issuance. Each such series shall be retired fully or on a pro rata basis, only at the discretion of the Board, in order of issuance by years as funds are available.

(b) All allocations in the form of non-qualified notices of allocation shall be issued in annual series and identified by the year of issuance. Each annual series may be subdivided between two or more classes. Each such series, or class thereof, shall be retired in the discretion of the Board.

In the event of a net loss for any fiscal year, such allocated surplus shall be subject to impairment in the order specified herein, and on the basis of most recent allocations first as provided in Section 910. Only those persons to which allocated surplus may be issued may own such allocated surplus. Notice of allocations to evidence the amount of earnings distributed to Members shall be given to all participants.

930.2 The Association, PCA and FLCA, as applicable, shall have a first lien and security interest on all surplus account allocations owned by any borrowers, and all distributions thereof, as additional collateral for such borrower's indebtedness to the Association, PCA and FLCA.

930.3 Unless prohibited by the Act or Regulations, when the debt of a borrower is in default or is in the process of final liquidation by payment or otherwise, the Association, upon approval of the Board, may order any and all surplus account allocations owned by such borrower to be applied against the indebtedness based on its fair value.

930.4 Any surplus allocated to a borrower shall be retired at the sole discretion of the Board. There is no express or implied right granted to a Member to have such allocated surplus retired upon request.

930.5 Upon approval of the Board, any retirement of surplus allocated may be paid, oldest allocations first, in cash, in other forms of available equities or applied against any of the Member's indebtedness to the Association, PCA or FLCA in accordance with Section 930.3. In no event shall such retirement reduce the Association's permanent capital below the minimum required by Regulations. Retirements of less than the full amount of allocations issued in the same series shall be on a pro rata basis. Any part of a surplus allocated distribution in stock to one Member that is less than the par amount of one share may be held by the Association and included with subsequent shares of Class B Stock.

930.6 A record of the holders of allocated surplus shall be kept and maintained by the Association. Allocations of "qualified" amounts will be maintained separately from the allocations of "non-qualified" amounts. Such surplus accounts shall be transferable only to the Association or to an eligible Member of the Association in the manner established by the Board, and no transfer thereof shall be binding upon the Association unless so transferred on the books of the Association.

940 Dividends

940.1 The Board, at its sole discretion, may declare dividends on the Stock and Participation Certificates of the Association; provided, however, that no dividend shall exceed eight percent (8%) per annum of the par value of the respective Stock and Participation Certificates. No dividends may be paid on Stock and Participation Certificates during any fiscal year with respect to which the Association has obligated itself to distribute earnings on a patronage basis pursuant to these Bylaws. The rate of dividends

paid on Class B Common Stock, Class C Common Stock and Participation Certificates shall the same for any fiscal year.

940.2 Dividends may be paid to holders of record on the effective date of the declaration, provided the Stock or Participation Certificates were outstanding for at least thirty calendar days prior to the effective date of the declaration.

940.3 Dividends on Stock and Participation Certificates may be paid in cash, Class B Stock, or partly in cash and partly in stock, except that dividends on Stock held by the FCB shall be paid in cash. If any part of such dividends payable in Stock to one borrower are less than \$5, the dividends may be distributed in cash or held by the Association and accumulated with subsequent dividends until the retained dividends equal \$5, so that the dividends may be distributed as one whole share of Class B Stock.

950 Patronage Distributions

950.1 Patronage Resolutions - Subject to the provisions of the Act and Regulations, prior to the beginning of any fiscal year or other period, the Association's Board may, by adoption of a resolution (the "Patronage Resolution"), obligate the Association to distribute its available Patronage-Sourced Net Earnings to Patrons on the basis of the quantity or value of patronage business done with the Association and its Subsidiaries Patrons shall include Members and such other customers, borrowers and financial institutions with which the Association, PCA and/or FLCA conduct business during the fiscal year and as identified by the Board in the Patronage Resolution. Patronage-Sourced Net Earnings shall mean the pre-tax net earnings of the Association, PCA and FLCA for the fiscal year, as computed under generally accepted accounting principles, attributable to patronage business done with or for Patrons. All transactions done with or for Patrons shall be deemed patronage business unless otherwise provided in the Patronage Resolution. Patronage-Sourced Net Earnings shall also include taxable income from the retirement of any allocated equities in AgFirst, FCB. Any outstanding Patronage Resolution that is not rescinded prior to the beginning of a fiscal year shall become irrevocable and constitute a binding legal obligation of the Association with respect to such fiscal year. Each patronage transaction shall include as part of its terms, whether the same has been expressly referred to in said transaction or not, the provisions of this Article IX of the Bylaws.

Net earnings of any fiscal year shall be available for patronage distribution only after making the applications as required in subsections (a) through (e) of Section 910.1, including the setting aside of a portion of the net earnings in the unallocated surplus account, as deemed prudent for sound capital accumulation, and making provision for payment of the Association's federal income or related taxes for the fiscal year; provided, that, these amounts shall first come from net earnings, if any, attributable to sources other than patronage business and any non-patronage sourced net earnings not so applied shall be set aside in the unallocated surplus account. The Board in its resolution may establish a minimum level of available earnings and if the available earnings fall below this level no patronage distribution will be made.

950.2 Basis of Distribution - All patronage distributions shall be in the proportion that the amount of interest earned by the Association, PCA and FLCA on their loans to each Patron bears to the total interest earned by the Association, PCA and FLCA on all such loans outstanding during the fiscal year, or such other proportionate patronage basis as may be approved by the Board consistent with the requirements of Subchapter T of the Code. Any earnings pools that may be established for the payment of patronage distributions shall be established on a rational and equitable basis and shall ensure that each Patron of the Association receives its fair share of earnings and bears its fair share of expenses. The Board shall retain discretion not to pay patronage distributions on one or more such pools

provided Patrons are treated equitably and fairly. Any geographic pools established as a result of the Association's merger with Chattanooga Agricultural Credit Association shall terminate not later than December 31, 2015.

950.3 If the Association will meet its capital adequacy standards after making the patronage distributions, the patronage distributions may be in cash, authorized stock of the Association, allocations of earnings retained in an allocated surplus account, or any one or more of such forms of distribution. Patronage distributions of the Association's earnings may be paid on either a qualified or nonqualified basis, or a combination of both, as determined by the Board. All qualified notices of allocated surplus shall satisfy the definition of a "qualified written notice of allocation" as defined in Section 1388 of the Code. All nonqualified notices of allocated surplus shall satisfy the definition of a "nonqualified written notice of allocation" as set forth in Section 1388 of the Code. Any part of a patronage distribution in stock to one borrower that is not a multiple of \$5.00 may be distributed in cash or held by the Association for the borrower and included in a subsequent distribution.

950.4 If a borrower is in default, any part of the patronage distribution to that borrower, except for the minimum amount that must be paid in cash to qualify the distribution as a deduction for Federal income tax purposes, may, at the discretion of the Association, be applied against the borrower's indebtedness to the Association, PCA and FLCA.

In the event that the total patronage distribution to a Patron is less than the minimum amount as determined annually by the Board, prior to the end of the taxable year, such distribution may be (i) paid entirely in cash, (ii) applied to the Patron's indebtedness; or (iii) be retained by the Association.

950.5 Patron's Consent to Take Patronage Distribution into Income - Each holder of voting stock shall, by such act of membership and receipt of a copy of this By- Law article, consent that the amount of any distributions with respect to patronage which are made in, or evidenced by, qualified written notices of allocation, as defined in Code Section 1388, including allocations of surplus and patronage refunds paid in stock, and which are received by him or her from the Association, will be taken into account as income by such person at the stated dollar amount in the manner provided in Code Section 1385(a) in the taxable year in which such qualified written notices of allocation are received. Such holder also consents by such act alone, to take into account as income in the same manner the amount of any distributions with respect to patronage provided he or she receives written notice that such amount has been applied on his or her indebtedness to the Association, PCA or FLCA. Each such holder further consents that the amount of any distributions with respect to his or her patronage which are made in, or evidenced by, nonqualified written notices of allocation (as defined in Code Section 1388) will be taken into account (as income) by the holder in the taxable year in which such nonqualified written notices of allocation are redeemed. Consent under this paragraph shall be continuing in effect, but shall cease to be effective with respect to patronage of a distributee occurring after the distributee has ceased to hold voting stock of the Association.

950.6 The Association may obtain the written consent of each Patron that the amount of any distributions with respect to such party's patronage, which are made in, or evidenced by, qualified written notices of allocation (as defined in Code Section 1388), including patronage allocation of surplus account, patronage refunds paid in stock or distributions with respect to patronage that has been applied to the Patron's indebtedness to the Association, PCA or FLCA and for which the Patron has received written notice, will be taken into account (as income) by the Patron at their stated dollar amounts in the manner provided for in Code Section 1385(a) in the taxable year in which such qualified written notices of allocation are received by the Patron. The Association may further obtain the written consent of each Patron that the amount of any distributions with respect to such party's patronage which are made in, or evidenced by, nonqualified written notices of allocation (as defined in Code Section 1388), will be taken into account

(as income) by such party in the taxable year such nonqualified written notices of allocation are redeemed. The form of consent shall be prescribed by the Board and shall be continuing in effect until revoked by the Patron, and it may be included as part of the loan application or other appropriate form signed by Patrons. Consent may also be obtained by use of a qualified check in the manner provided for in Code Section 1388.

950.7 PCA and FLCA - In the event of an Authorization Event under Section 210 hereof, where the Association arranges for the provision of credit and/or related services to its Patrons through PCA and/or FLCA, and such Patrons avail themselves of the arrangements made and maintained by the Association by borrowing or acquiring related services from PCA and/or FLCA, all net earnings or loss attributable to such provision of credit and/or related services shall be treated as net earnings or loss of the Association from business done with its Patrons and all business done with PCA and FLCA shall be treated as business done with the Association.

Article X Execution of Documents

1000 Transactions with the FCB, Releases and Uniform Commercial Code Transactions

All documents required to be executed in connection with transactions with the FCB, and all releases of security, including releases and satisfactions of judgments, subordination agreements, and all security agreements, financing, continuation and termination statements, and other writings relating to secured transactions within the meaning of the Uniform Commercial Code, may be executed in the name of the Association by the chief executive officer or by the chief executive officer's designee (who shall be identified by name in a report to the Board and recorded in the minutes of the Board meeting.)

1010 Other Transactions

Bonds, contracts, conveyances, and all other documents, except checks and vouchers of the Association, shall be signed by the chief executive officer or any other officer of the Association designated by resolution of the Board, and, when required, shall be attested to by such officer(s) or employee(s) as may be designated by the Board.

1020 Expenses and Checks

The chief executive officer or such employee(s) as may be designated by the chief executive officer shall, subject to subsequent approval by the Board, unless prior approval is required by the Board under its established policies, approve and pay all expenses of the Association, and shall sign all checks and vouchers issued by the Association.

Article XI Records and Reports

1100 Records

Copies of the organization papers of the Association, returns of Association elections, proceedings of all regular and special meeting of the Stockholders, and of directors, the Bylaws and any amendments thereto, resolutions of the Board, and reports of all committees shall be recorded in the minute books of the Association. The minutes of all committees and of the Board shall be signed by the person acting as secretary of the meeting. The foregoing materials, and such others as the Board may specify from time to time, shall be retained by the Association in accordance with the records retention program approved

by the Board.

1110 Reports

The Association shall make available to each of its Stockholders such reports as are required by the Act and Regulations and such other reports as the Board deems advisable.

Article XII Unclaimed Property

1200 Unclaimed Property

The Association shall make diligent efforts to pay the proceeds of any retirement of stock, participation certificates and accrued dividends to the owners thereof. In the event the Association is unable to determine the address or whereabouts of the owner or the heirs and assigns of the owner, the funds shall be disposed of in accordance with the Act, the Regulations, and applicable state law.

Article XIII Fiscal year

The fiscal year of the Association shall end on December 31st of each year.

Article XIV Seal

The Association may have such seal as the Board may determine.

Article XV Indemnification of Directors, Officers, Employees and Agents

1500 Indemnification

1500.1 The Association shall indemnify, to the fullest extent permitted by law, any director, officer or employee who is or was 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 the Association), by reason of the fact that he or she is or was a director, officer or employee of the Association, or is or was serving, pursuant to authorization in writing by the Board or the Association's chief executive officer or his/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, sub-committee, or other body of the Farm Credit System, existing under authority of statute or otherwise 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/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful.

1500.2 The Association shall indemnify any director, officer or employee who is or was a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association 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 Association, or is or was serving pursuant to authorization in writing by the Association's Board or its President or his/her designee as a director, officer, employee,

agent, administrator, advisor, fiduciary 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, subcommittee, or other body of the System existing under authority of statute or otherwise, 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/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Association and, to the extent of amounts paid in settlement, if settlement was in the best interests of the Association; provided, however, that no indemnification shall be made with respect to any claim, issue or matter as to which such director, officer or employee shall have been finally adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Association 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 indemnification for such expenses which the court shall deem proper.

1500.3 A director's, officer's or employee's conduct with respect to a retirement or other employee benefit plan for a purpose he or she reasonably believed to be in the best interest of the participants in and beneficiaries of the 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 Association.

1500.4 The termination or abatement of a threatened or pending action, suit or proceeding by way of a judgment, order, settlement, conviction, or upon a plea of guilty or 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 Article.

1500.5 The Association may indemnify any agent of the Association to the same extent as, and under the same provisions applicable to, directors, officers and employees, but only by specific action of and to the extent designated by the Board.

1500.6 Notwithstanding the provisions of Article 1500, any director, officer or employee of the Association serving on any committee, special asset group or similar body required or permitted pursuant to the Act shall be deemed to be doing so pursuant to authorization in writing by the Association's Board or its President or his/her delegate.

1500.7 As used in this Article, "party" means a defendant or respondent in an action, suit or proceeding.

1510 Additional Provisions

Notwithstanding any other provision of this Article, a director, officer or employee of the Association who has been wholly successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1500.1 and 1500.2 of these Bylaws to which he/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.

1520 Procedure

Indemnification under this Article (unless ordered by a court) shall be made by the Association only as authorized in each 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 standards set forth in Section 1500. 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 a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. For the purposes of this Article, independent legal counsel shall be selected by a majority of disinterested directors or if such a majority is not obtainable, by the Board.

1530 Advance of Expenses

Notwithstanding the provisions of Section 1520, reasonable expenses incurred in defending any action, suit or proceeding referred to in Article 1500 shall be paid by the Association 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 herein, that such person is not entitled to indemnification. Advances of expenses shall be made promptly, and in any event, within ninety days, upon the written request of the director, officer or employee. Notwithstanding the foregoing, no advance shall be made by the Association if a determination is reasonably made at any time (a) by the Board by a majority vote of the disinterested directors, or (b) if such a majority is not obtainable or, even if obtainable, if a majority of disinterested directors so directs, by independent legal counsel selected in 1520 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 Association, or such person deliberately breached his or her duty to the Association or its Stockholders, or, with respect to any criminal proceeding, that such person believed or had reasonable cause to believe his or her conduct was unlawful, or such person is not entitled to indemnification for such expenses pursuant to this Article.

1540 Other Rights

The indemnification and advancement of expenses provided by this Article 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 Stockholders or directors or otherwise, both as to actions performed in their official capacities and as to actions in another capacity while holding office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who is or was serving in any of the capacities referred to in Sections 1500.1, 1500.2 and 1500.3 of these Bylaws, against any liability asserted against him/her or incurred by him or her in any such capacity, or arising out of his/her status as such, whether or not the Association would have the power to indemnify him/her against such liability under the other provisions of this Article.

1550 FCA Penalties

Notwithstanding any other provision of this Article, the Association may not indemnify directors, officers, employees, or agents against expenses, penalties, or other payments incurred as a result of an administrative proceeding or action instituted by the FCA, which results in a final order assessing civil money penalties personally against such individual(s) or requiring affirmative action by such individual(s) to make payment to the Association, PCA or FLCA.

1560 Right of Claimant to Bring Suit

- (i) If a claim for indemnification or advancement under this Article is not paid in full by

the Association within ninety (90) days after a written claim therefore has been received by the Association, the claimant may any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Association) that the claimant has not met the standards of conduct which make it permissible under the applicable law for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association.

(ii) Neither the failure of the Association (including its Board or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct, nor an actual determination by the Association (including its Board or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

1570 Contractual Rights

The right to be indemnified or to the reimbursement or advancement of expenses pursuant to this Article (i) is a contract right based upon good and valuable consideration, pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Association and the director, officer or employee, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto. However, this Article does not constitute a contract of employment or any terms and conditions of employment, and does not alter the employment status of any employee.

Article XVI Amendments

1600 Amendments in General

Except as provided below, these Bylaws may be altered, amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the entire membership of the Board at any meeting of the Board with respect to which notice of intention to alter, amend, repeal or adopt new bylaws at such meeting has been given, and which notice includes a copy of the proposed amendment(s).

1610 Amendments Affecting Capitalization

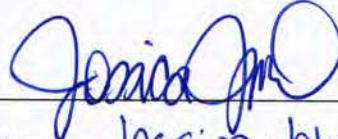
Any amendment to Articles VIII and IX of these Bylaws or to the capitalization bylaws of PCA or FLCA, other than those of a strictly technical nature not affecting substantive rights, shall not become effective unless approved by Voting Stockholders determined as of the Record Date at a duly authorized meeting of Stockholders.

1620 Effective Date

These Bylaws shall become effective as of February 3, 2019, and the bylaws and amendments thereto in effect prior to said date are hereby rescinded.

CERTIFICATION

I, the undersigned, Corporate Secretary of River Valley AgCredit, ACA, hereby certify that at a meeting duly held on the 26th day of May, 2021, the Board of Directors of said Association duly adopted the foregoing amendments to the Amended and Restated Bylaws of said Association.



Print Name: Jessica Johnson

Corporate Secretary

Date: May 26th, 2021

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