

**LOUISIANA LAND BANK, ACA
BYLAWS**

ARTICLE I--PREAMBLE

100 The Louisiana Land Bank, ACA (the "Association") is an agricultural credit association, which is a federally chartered, member-owned, cooperative credit institution operating within the authority of the Farm Credit Act of 1971, as amended, and the Regulations for Banks and Associations of the Farm Credit System (hereinafter referred to as "Regulations"). Under the supervision of the Farm Credit Bank of the district (hereinafter referred to as "Bank") and its policies and procedures, the Association makes and services loans to (1) farmers, ranchers, and producers or harvesters of aquatic products, (2) persons furnishing to farmers and ranchers farm-related services directly related to their agricultural production needs, and (3) owners of rural homes in their respective territories. The Association also may provide technical assistance to members, borrowers, applicants, and other eligible persons and make available to them, at their option, related services appropriate to their operations to the extent authorized by the Bank and the Regulations. These bylaws constitute the rules for the internal operation of the Association and shall not be construed as conferring on the Bank any approval authority over the Association's corporate governance other than that mandated by law.

110 Relationship with Louisiana Federal Land Bank Association, FLCA ("FLCA") and Louisiana Production Credit, PCA ("PCA").

The Association, FLCA and PCA shall conduct an integrated lending operation. To the extent authorized by the Board:

- (A) PCA shall make short and intermediate-term loans and provide financially related services to qualified borrowers in the Association's territory;
- (B) FLCA shall make long-term real estate loans and provide financially related services to qualified borrowers in the Association's territory.

The Association, FLCA and PCA shall be subject to a General Financing Agreement ("GFA") with the Bank for purposes of funding loans originated and made by each of them pursuant to their respective lending authorities. The indebtedness owed to the Bank under the GFA shall be the joint and several obligation of all three institutions. The Association at all times will own all of the voting capital stock of PCA and FLCA.

ARTICLE II--MEMBERSHIP

200 Members of the Association shall include all holders of legal title to capital stock or participation certificates who are liable on a loan made or held by the Association and who have been elected to membership in the Association as evidenced on the books of the Association. Any person to whom the Association is authorized by the Farm Credit Act of 1971, as amended, to extend credit and other services is eligible to make application to become a member of the Association. In the case of a deceased or legally incompetent member, the executor, administrator, guardian, or other legally authorized representative shall be considered to be the member for the purpose of these bylaws. Each member is authorized to speak on any question being considered at members' meetings when recognized by the chairman. Motions and nominations or seconds thereto may be made and voted on only by voting stockholders of the Association, except as otherwise required by the Farm Credit Act, Regulations or these bylaws

ARTICLE III--MEETINGS OF MEMBERS

300 Time and Place

- 300.1 There shall be an annual meeting of members at such place(s) in the Association's chartered territory or within reasonable distance of the Association territory at such date(s) and time(s) as the Board of Directors may by resolution provide.
- 300.2 Special meetings of members of the Association may be called at any time by resolution of the Board of Directors. Such meetings shall be called at any time upon written request of at least 5 percent of the voting stockholders, except, in no case shall the required number of signatures to such a request be less than 20. All notices of special meetings shall state the time, place, and purpose of the meeting. If the Board of Directors fails or refuses to order such notice to be made, the notice may be given by the person or persons who made the call in accordance with the provisions of Section 310.
- 300.3 The Board of Directors may provide for the annual meeting or special meetings of members to be held in consecutive sectional sessions at different times and places. The date of the convening of the first sectional session shall be the date of the meeting for the purpose of notice thereof to members. Each member shall be notified of all sessions to be convened and shall be entitled to attend any or all of such sessions of the annual meeting. 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 7 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 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 stockholders must be introduced at the first sectional session of the meeting and so announced in the Notice of Meeting.

310 Notice of Meeting

The Chairman of the Board of Directors shall cause written notice of every annual and special meeting of members, along with an Annual Meeting Information Statement, to be mailed at least 10 business days, but not more than 30 business days, prior to the meeting to all holders of stock and participation certificates of record as of the close of business on a date established by the Association. The notice shall be mailed to the last known post office address of the member as it appears on the records of the Association. The notice shall state the purpose and the time and place of meeting. No business shall be transacted at special meetings other than that referred to in the call.

320 Quorum

One percent (1%) of the voting stockholders shall constitute a quorum. Where permitted, proxies and mail ballots will be included to establish a quorum. If less than a quorum is present at any meeting, the chairman may adjourn the meeting from time to time until a quorum is obtained.

330 Conduct of Annual Meeting

At the annual meeting of members, reports of the Board shall be given by a person designated by the Board. The reports required by Section 1010 of these bylaws shall be presented. Other items of business which may come before the meeting include but are not limited to: (a) determination of quorum, (b) proof of due notice of meeting, (c) reading and disposition of minutes, (d) annual reports of officers and committees, (e) election of directors and nominating committee, (f) unfinished business, and (g) new business.

340 Nominating Committee

- 340.1 At each annual meeting, the voting stockholders shall elect a Nominating Committee consisting of a total of nine (9) owners of voting stock to serve as members and nine (9)

owners of voting stock to serve as alternates, with each member and each alternate residing or operating in one of the nine (9) geographical director regions of the Association's territory set forth in Section 400.1 of these bylaws. Out-of-territory stockholders are deemed eligible to serve on the Nominating Committee. Each out-of-territory voting stockholder will be assigned to the region that includes the branch office serving his or her loan, with the exception of the Arcadia branch whose out-of-territory owners of voting stock shall be assigned to Region 1. The term of the Nominating Committee members shall be limited to one (1) year. Owners of voting stock that are re-elected to the Nominating Committee shall be entitled to serve for a maximum of three (3) consecutive one-year terms. If an owner of voting stock has served three (3) consecutive terms, the owner of voting stock shall not be entitled to re-nomination and re-election to the Nominating Committee for a period of at least one (1) year after the expiration of the third (3rd) of such consecutive terms. Thereafter, the prior-serving owner of voting stock shall be eligible for nomination and election to the Nominating Committee as set forth in this section 340.1. All alternates elected to the nominating committee shall serve for a period of one (1) year. A person serving as an alternate and who does not act as a voting member of the Nominating Committee will not be prohibited from serving as an alternate or regular member of the Nominating Committee after the conclusion of his or her term as an alternate. The Board of Directors may, from time to time, by amendment to this bylaw, change the number of members and alternates on the Nominating Committee, change the number of members and alternates designated for each geographic region, establish or eliminate geographic regions for the Nominating Committee, and change the boundaries of such geographic regions represented by each member and alternate, in accordance with the requirements of law, FCA regulations, and these bylaws. To be eligible to serve on the Nominating Committee, a person must be an owner of voting stock of the association. Board members or salaried officers or employees of the Association are not eligible to serve on the Nominating Committee.

- 340.2 Each Nominating Committee shall review lists of owners of voting stock who are eligible to serve as stockholder-elected directors of the Association, ascertain their willingness to serve, and submit for election a slate of eligible candidates which shall include at least two nominees for each position for which an election is being held selected from the owners of voting stock meeting the qualifications set forth in section 400.2. The committee shall also endeavor to assure representation of all types of agricultural practices within the Association territory. If the Nominating Committee after diligent effort is unable to find more than one willing nominee for each stockholder-elected position to be filled and demonstrates in writing to the satisfaction of the Association Board that the committee is unable, despite a good faith effort, to find two willing nominees for each position, the Association may, after calling for nominations from the floor, proceed with the election.
- 340.3 The Nominating Committee shall present a list of candidates for voting stockholders to consider in electing the Nominating Committee for the ensuing year. Nominations also may be made from the floor. If the meeting is held in consecutive sectional sessions, nominations may be made from the floor only at the first session and so announced in the Notice of Meeting.
- 340.4 A majority of the Nominating Committee shall constitute a quorum for transacting business of the committee. The committee shall keep minutes of its deliberations which shall be turned over to the chief executive officer to be maintained in accordance with the Association's records retention schedule.

- 350.1 Except where otherwise provided in the Farm Credit Act of 1971, as amended, FCA Regulations, or these bylaws, each voting stockholder shall be entitled to only one vote regardless of the number of single or joint loans the stockholder may have with the Association so long as the stockholder remains liable on a loan made or held by the Association and eligible to borrow as a farmer, rancher, or producer or harvester of aquatic products. In the case of a joint loan, the vote shall be cast by only one of the joint holders duly authorized in writing by the other joint holders. The vote of a stockholder which is a legal entity shall be cast by an individual duly authorized in a writing which is filed with the Association. If an individual who is a voting stockholder by virtue of an individual loan controls the business affairs or assets securing the loans of another voting stockholder, the controlling stockholder and the controlled stockholder shall be considered as one person and shall be entitled to a total of only one vote. For the purpose of this section of the bylaws, an individual shall be deemed to control another voting stockholder if the individual, together with the members of his or her immediate household, has more than a 50-percent ownership interest in (1) the other stockholder or (2) the assets securing the other stockholder's loan. Each voting stockholder shall be entitled to cast one vote for each stockholder-elected director position in accordance with Section 410.1 of these bylaws.
- 350.2 Stockholders entitled to vote on any matter properly brought before the stockholders at an annual or special members' meeting may vote in person, or where permitted by the Farm Credit Act of 1971, as amended, by proxy. Voting in the election of directors shall be conducted in accordance with FCA Regulations and Association policy assuring confidentiality.
- 350.3 An official record of voting stockholders shall be maintained by the Association. The Association Board members and/or staff may utilize this listing to verify individual stockholder's eligibility for voting when distributing ballots at an annual or special meeting, and in connection with the nomination and election of district Farm Credit Bankboard members. If the annual meeting is held in consecutive sectional sessions, the same listing shall be used at each sectional session to assure that no stockholder votes more than once. The official record of stockholders for consideration for nomination to the Board of Directors or the Nominating Committee shall include all joint owners of voting stock; provided, however, that for any specific election cycle only one joint owner may seek election to the nominating committee or the Board, consistent with FCA guidance.

ARTICLE IV--DIRECTORS

400 Number and Qualifications of Directors

400.1 Number

The Board of Directors shall consist of eleven (11) persons, including nine (9) stockholder-elected directors and two (2) outside directors to be elected by the other directors.

For the purposes of director representation, the territory of the Association shall be divided into nine (9) geographic regions with each such region consisting of the following parishes within the State of Louisiana, with each region having one stockholder-elected director position: **Region 1**-Bienville, Bossier, Caddo, Claiborne, Desoto, Jackson, Lincoln, Red River and Webster; **Region 2**-Caldwell, Morehouse, Ouachita, Richland, Union and West Carroll; **Region 3**-East Carroll and Madison; **Region 4**-Grant, La Salle, Natchitoches, Rapides, Sabine, Vernon and Winn; **Region 5**-Catahoula, Concordia, Franklin and Tensas; **Region 6**-Acadia, Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, and Vermillion; **Region 7**-Avoyelles, Evangeline, Iberia, Lafayette, Saint Landry, Saint Martin, and Saint Mary; **Region 8**-Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, Saint Bernard, Saint Charles, Saint James, Saint John the Baptist, Terrebonne, West Baton Rouge, and West Feliciana; and **Region 9**-Saint Helena, Saint Tammany,

Tangipahoa and Washington. This regional designation shall constitute an eligibility requirement for director and nominating committee nominations and elections only. Voting for all stockholder-elected directors shall be at-large, with each voting stockholder of the Association having the right to vote for each stockholder-elected director position.

The Board of Directors may, from time to time, by amendment to this bylaw, change the number of directors, change the number of directors designated for each geographic region, establish or eliminate geographic regions for board positions, change the boundaries of such geographic regions represented by each board position, and change the manner in which directors shall be elected in accordance with the requirements of law, FCA regulations, and these bylaws.

400.2 Qualifications

a. Stockholder-elected Directors

(1) No person shall be elected or continue to serve as a stockholder-elected director unless he or she is an owner of voting stock as described in Section 710.1 of these bylaws, is in compliance with the Regulations, is a bona fide farmer, a rancher, or a producer or harvester of aquatic products and either resides or farms in the region of the Association territory corresponding to the position for which the candidate is standing for election. Out-of-territory owners of voting stock are deemed eligible to serve as a stockholder-elected director.

Each out-of-territory owner of voting stock will be assigned to the region that includes the branch office serving his or her loan, with the exception of the Arcadia branch whose out-of-territory owners of voting stock shall be assigned to Region 1. An individual designated to vote the stock of a corporation or partnership may be a director as long as that individual holds stock in the corporation, is a member of the partnership, and meets all other requirements for serving as an Association director. A legally authorized representative of a deceased or incompetent member is not eligible to be elected or appointed as a director unless such representative also holds voting stock in his or her own right.

(2) Except as herein provided, an individual who is a salaried officer or employee of the Association or of any other bank or association within the Farm Credit System is not eligible to be elected or appointed and may not serve as a stockholder-elected director. A former salaried officer or employee of the Association or any other association or bank within the Farm Credit System is not eligible to be elected or appointed as a director within one year after ceasing to be employed by such association or bank within the Farm Credit System. No director of the Farm Credit Bank with which the Association has a discount or funding relationship may serve as a stockholder-elected director of the Association within one year of ceasing to be a director for such Bank.

(3) An individual who is a director of a Farm Credit System bank or association (other than PCA or FLCA) is not eligible to be elected or appointed and may not serve as a stockholder-elected director. Notwithstanding the foregoing, a director elected to the Farm Credit Bank Board may continue to serve until the next annual meeting or a special meeting of the stockholders called for the purpose of election of directors.

b. Board-Elected Directors

Except as provided herein no person shall be elected by the stockholder-elected directors to serve as a board-elected director if such person is a director, officer, employee, stockholder, or agent of a System institution, other than a director of PCA or FLCA. No individual shall be eligible to serve as a board-elected director who has been, within the one-year period preceding the date the term of office begins, a salaried

officer or employee of any bank or association within the Farm Credit System or a director of the Farm Credit Bank with which the Association has a discount or funding relationship. A board-elected director may serve consecutive terms. A board-elected director is subject to removal from the Board by the other directors as provided in Section 490.

c. Financial Expert.

The Board shall have at least one director who is a financial expert recognized as having education or experience in: accounting, internal accounting controls, or preparing or reviewing financial statements for financial institutions or large corporations consistent with the breadth and complexity of accounting and financial reporting issues that can reasonably be expected to be raised by the institution's financial statements.

400.3 An individual may become or continue as a director, whether stockholder-elected or board-elected, if the individual is a director, officer, or employee of any other financial institution outside the Farm Credit System unless such non-System financial institution is actively making the same types of loans that are obtained through this association in the association's chartered territory.

400.4 Director Removal and Eligibility for Re-Election

a. The office of any elected or appointed director, whether stockholder-elected or board-elected, shall automatically become vacant in the event such director: (1) files a petition for relief in voluntary 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 or placed in receivership in a State proceeding; or (3) seeks reorganization under the Bankruptcy Code of personal business interests or that of a corporation in which the director owns the controlling interest; or (4) is party to a foreclosure proceeding (judicial or nonjudicial) or a voluntary conveyance in lieu of foreclosure involving property in which the director has an interest, which is instituted or executed because of the director's default on indebtedness to a Farm Credit System institution; or (5) is primarily or secondarily liable on a loan from any Farm Credit System institution where there is rescheduling, re-amortization, deferral of principal or interest, granting of monetary concessions under FASB-15, or other restructuring action taken because of the director's default on such loan, or because the loan is determined to be distressed and eligible for restructuring under the Association's distressed loan restructuring policy and is in fact restructured; or (6) is not in compliance with the Association's Standards for Official Loans Policy; or (7) is convicted of any felony or is held liable for damages in fraud while holding office; or (8) is declared legally incompetent.

b. In the event that a stockholder-elected director ceases to be a borrower, regardless of whether or not the director continues to hold voting or non-voting stock, such director's position shall automatically become vacant.

c. The position of a board-elected director shall automatically become vacant in the event that such director should become an officer, employee, stockholder, or agent of the Association or a director, officer, employee, stockholder, or agent of any other Farm Credit System institution, other than a director of PCA or FLCA.

d. An individual may seek election or re-election, whether stockholder-elected or board-elected, until the age of 75. Age qualification will be determined by using individual's age as of the end of the calendar year preceding the annual stockholders meeting at which director elections would be held.

400.5 (Reserved)

400.6 (Reserved)

400.7 The absence of any director whether stockholder-elected or board elected, from three (3) consecutive regular meetings of the Board, unless explained to the satisfaction of the other

directors, shall automatically terminate the director's service and the vacancy shall be filled as provided in Section 440.1 of these bylaws.

410 Election of Directors

410.1 By Stockholders

- a. In the manner provided in these bylaws, the voting stockholders 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.
- b. At the annual meeting the Nominating Committee shall submit the slate of candidates for election, after which the chairman conducting the election will entertain nominations from the floor. Nominees put forth by nominations made from the floor will have to meet the same qualification criteria and disclosure requirements as those established for all other nominees. If the board determines that the voting will take place at the annual meeting, voting stockholders shall then cast their ballots and the chairman conducting the election shall appoint a Tellers Committee of eligible voting stockholders 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.
- c. All candidates shall be listed on the ballot by the position to be filled. For each vacancy, except as otherwise provided in Section 340.2, two or more candidates will stand for election. If more than one position is to be filled, the election for each position shall be conducted independently. The candidate receiving the largest number of votes for each position shall be declared elected.
- d. The Tellers Committee shall convene to tally the ballots and shall report the results to the chairman conducting the election who shall inform the attending members 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 to the attending members only after the last sectional session.
- e. If no person is elected to a position because of a tie vote, a runoff election between those tying shall be held. The ballots shall be cast and counted and the results shall be reported to the members in the same manner as in the original election. If the meeting is held in consecutive sectional sessions and the tie is between more than two candidates, the tie shall be broken by re-balloting, by mail, those voting stockholders who were registered in attendance at the consecutive sectional sessions of the annual meeting. The runoff election polls shall be closed at the end of the 15th business day following the date on which the ballots are mailed to the voting stockholders. On the first business day after the polls are closed, the Tellers Committee shall convene in the Administrative Office of the Association to tally the ballots returned to the Association prior to the closing of the polls. The Tellers Committee shall report the results of the election to the Chief Executive Officer who shall send a notice to the members were registered in attendance at the consecutive sectional sessions of the annual meeting within ten business days announcing the results of the runoff election. Notwithstanding the above, if the tie is between only two candidates, the tie may be broken by any other method approved by the Association Board in advance of the election and announced in the Notice of Meeting.
- f. The Board may elect to hold all voting for directors and nominating committee members by mail ballot which may include a secure electronic or on-line voting option.

Provided the Board establishes by resolution and so announces in the Notice of Meeting (Annual Meeting Information Statement), the Board may order that elections for directors and nominating committee members be conducted by mail ballot under the following procedure: Within ten (10) business days following the date of the annual meeting, or the last sectional session if the annual meeting is held in consecutive

sectional sessions, a ballot, designated either by name of the voting stockholder or by the assignment of a unique identifying number, shall be mailed to each voting stockholder as of the record date of the annual meeting. The election polls shall be closed at the end of the fifteenth (15th) business day following the date on which the ballots are mailed. On the first business day after the polls are closed, a third-party independent tabulator selected by the Board shall tally the ballots returned to the independent tabulator prior to the closing of the polls using a voter list furnished by the Association to determine eligibility to cast the ballot. The third-party independent tabulator 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 within ten (10) business days of notification by the third-party independent tabulator.

If no person is elected to a position because of a tie vote in the mail balloting process, a runoff election between the candidates who tied shall be held. The ballots shall be cast and counted and the results shall be reported to the members in the same manner as in the original election. The runoff election polls shall be closed at the end of the 15th business day following the date on which the ballots are mailed to the voting stockholders. On the first business day after the polls for the runoff election are closed, a third-party independent tabulator selected by the Board shall tally the ballots returned to the independent tabulator prior to the closing of the polls using a voter list furnished by the Association to determine eligibility to cast the ballot. The third-party independent tabulator 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 within ten (10) business days of notification by the independent tabulator. Notwithstanding the above, if the tie is between only two candidates, the tie may be broken by any other method approved by the Association Board in advance of the election and announced in the Notice of Meeting.

In the event that the Board does not select an independent tabulator to tally the ballots in either the initial election or a run-off election, the chairman conducting the annual meeting shall appoint a Tellers Committee of eligible voting stockholders to tally the ballots. Salaried officers, employees and voting stockholders who are directors, candidates or members of the Nominating Committee or alternates are ineligible to serve on the Tellers Committee. On the first business day after the polls are closed, the Tellers Committee shall convene in the Association's Administrative Office to tally the ballots returned prior to the closing of the polls, The Tellers Committee shall report the results of the election to the Chief Executive Officer of the Association, who shall send a notice to the stockholders announcing the results of the election within ten (10) business days of notification by the Tellers Committee.

Mailing a ballot to a member's address as recorded in the books and records of the Association shall be conclusive evidence of receipt of the ballot by the member. 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.

410.2 By Directors

- a. In the manner provided in these bylaws, directors shall elect a director meeting the requirements of Section 400.2b to fill the position of a director whose term is expiring or to fill a vacancy of a board-elected position, provided, however, that a board elected director may not vote to fill his/her own position
- b. The Board of Directors shall conduct a search for an eligible candidate willing to serve as a board-elected director, and a majority of the stockholder-elected directors, present

and voting at a duly called and authorized meeting, held as soon as is practical following either the expiration of the term of the director-elected director, or at the time the position of such director becomes vacant for any reason, shall elect a director for each board-elected position to be filled.

420 Term

420.1 A stockholder-elected director shall serve until the third annual meeting after being elected, or for the unexpired portion of the term for which the director was elected, and until a successor is elected and qualified. A board-elected director shall serve until the end of the third calendar year after being elected, or for the unexpired portion of the term for which the director was elected, and until a successor is elected and qualified. Unless the term of that position is shortened or terminated by action of the voting stockholders in connection with a merger or consolidation, the term of office for each director shall be as provided above unless the director shall (1) resign, (2) be removed from office, or (3) become unable to act by reason of death or disqualification.

420.2 If as a result of change in the number of directors, or for other reasons, the terms of directors do not expire equitably 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, with respect to stockholder-elected directors, and not to extend beyond the first board meeting following the end of the third calendar year after election, with respect to board-elected directors, as will reestablish expiration of terms of directors on an equitably staggered basis.

430 (Reserved)

435 (Reserved)

440 Vacancies

440.1 Whenever a vacancy occurs in a stockholder-elected position on the Board of Directors, other than from the expiration of a term of office, the remaining directors shall elect a qualified voting stockholder to fill the vacancy for the remainder of the unexpired term of the position to be filled.

440.2 If all of the stockholder-elected director positions become vacant, the Association's CEO shall appoint qualified persons to fill sufficient vacancies to constitute a quorum. If a majority of the stockholder-elected positions become vacant, the remaining directors shall appoint qualified persons to fill sufficient vacancies to constitute a quorum. These appointed directors shall elect qualified voting stockholders to fill the other vacancies. Directors shall be elected by the stockholders to fill any unexpired terms at the next annual meeting or a special meeting of members called for that purpose.

440.3 If a board-elected position becomes vacant, the remaining directors shall elect in the manner provided in Section 410.2 of these bylaws a person meeting the requirements of Section 400.2b to fill the vacancy for the remainder of the unexpired term of such position, provided, however, that a board elected director may not vote to fill his/her own position.

450 Duties of Directors

450.1 The Board of Directors shall be responsible for general control and direction of the affairs of the Association. The Board shall determine Association policy matters, periodically review the operations of the Association, and keep itself informed of the Association's fulfillment of its objectives, goals, and responsibilities in accordance with the provisions of the Farm Credit Act of 1971, as amended, the Regulations, and Bank board policies, procedures, and objectives. 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 manage the Association's affairs and establish policies with the primary objective of improving the three institutions' combined financial condition.

450.2 The Board of Directors shall elect and fix the salary of the chief executive officer. Also, the Board shall prescribe the duties and responsibilities of the chief executive officer, who shall be responsible for the management of the Association. The Board shall provide for

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

460 Board Meetings

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

460.2 Special meetings of the Board of Directors shall be held whenever called by (1) the chairman or president of the Board, (2) the chief executive officer, or (3) a majority of the directors. Urgent business may 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 persons participating to hear each other. All actions taken by telephone conference shall be ratified at the next regular meeting of the Board. Additionally, upon a determination by the Executive Committee of the Association that a matter requiring a special meeting is predominantly ministerial in nature, the matter may be submitted to the Board for an electronic vote, provided, however, upon request by any member of the Board that the meeting be conducted by telephone conference call in lieu of an electronic vote, the meeting shall be conducted by telephone conference call. Any actions taken in a special meeting conducted by electronic vote shall be ratified at the next regular meeting of the Board.

460.3 Oral or written notice of each meeting of the Board of Directors, except regularly scheduled meetings specified by resolution of the Board, shall be given each director by the chief executive officer, or other designated employee of the Association, not less than 48 hours prior to the time of the meeting. On a signing of a waiver of notice of a meeting by a majority of directors, a meeting of the Board may be held at any time.

470 Honoraria

The Association may allow directors reasonable honoraria for attendance at meetings, committee meetings, or for special assignments. The Association may also reimburse the director for reasonable expenses incurred in connection with the meetings or assignments.

480 Quorum

A majority of the Board of Directors shall constitute a quorum at any meeting of the Board, and a vote of a majority of the directors present shall determine the decision of the Board.

490 Removal

A stockholder-elected or board-elected director may be removed from the Board by a majority vote of the voting stockholders present at an annual or special members' meeting upon a motion for removal, duly made, seconded and carried, provided the notice of the meeting contains a notification that the removal is to be considered. In addition, board-elected directors may be removed from the board by a two-thirds majority vote of the full board of directors, excluding the board-elected director whose removal is the subject of the vote.

495 Boards of PCA and FLCA

Upon being elected or appointed to the Association's Board, such individual 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 V--OFFICERS AND EMPLOYEES

500 Election of Senior and Other Officers

500.1 As soon as practicable following the annual meeting of members, and at such other times during the year as is necessary to fill vacancies, the Board of Directors shall elect a Chairman and a Vice-Chairman from among the members of the Board.

500.2 The Board shall elect a chief executive officer who shall serve at the pleasure of the Board,

and shall continue in office until a successor is elected and takes office unless the chief executive officer shall resign, die, retire, or be removed by the Board. Other Association officers shall be a secretary, a treasurer, and any other salaried officers 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 510.3 of these bylaws. A combination of these offices may be held by one individual.

500.3 No individual shall be eligible to become a salaried officer or employee if within the previous 12 months the individual served as a director of the Association.

510 Duties of Officers

510.1 Duties of Chairman of the Board

The Chairman (1) shall preside over all meetings of the Board of Directors and the Chairman or the Board's designee shall preside over all meetings of the Association members; (2) shall see that all orders and resolutions of the Board of Directors, policies and procedures of the Association, and all policies and procedures prescribed by the Farm Credit Bank are carried into effect; and (3) shall perform such other duties as may be prescribed by the Board of Directors. The Chairman shall not be an ex officio member of any committee of the Board of Directors.

510.2 Duties of Vice-Chairman of the Board

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

510.3 Duties of the Chief Executive Officer

The chief executive officer (1) shall perform such duties and exercise such authority as vested by the Board of Directors; (2) shall be responsible for the ordinary and usual business operations of the Association; and (3) shall, unless this power is reserved to or limited by the Board, employ, supervise, and dismiss any and all officers and employees of the Association, fix their compensation within salary plans approved by the Bank, and designate the order of precedence in which the other officers shall act in the absence of any officer.

510.4 Duties of the Secretary

The secretary (1) shall keep a complete record of all meetings of the Association and the Board of Directors except those of the nominating committee, (2) shall be responsible for the corporate records of the Association, (3) shall keep the corporate seal, if any, and shall affix it to all papers requiring a seal, (4) shall make all reports required by law, and (5) shall perform such other duties as may be required by the chief executive officer and the Board of Directors.

510.5 Duties of the Treasurer (Chief Financial Officer)

The treasurer (1) shall have custody of all funds, securities, and assets of the Association, (2) shall provide full and complete records of all assets and liabilities of the Association, (3) shall make such reports as may be required, (4) shall keep complete stock ownership records, and (5) shall 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 of Directors.

520 Removal

The Chairman and the Vice-Chairman may be removed from their positions as officers of the Board, and the chief executive officer may be removed from office at any time by a majority vote of the entire membership of the Board of Directors.

530 Joint Management.

All officers appointed hereunder shall have the same positions and authorities with respect to Association, PCA and FLCA.

ARTICLE VI--COMMITTEES

600 Executive Committee

The Board of Directors may elect from its number two (2) directors to act with the chief executive officer or an alternate, who shall be an employee designated by the Board, as an executive committee. It shall have such authorities as delegated by the Board. Any or all of the directors who are not regular members of this committee may be designated by the Board of Directors as alternate members. A majority of the committee, whether regular or alternate, shall constitute a quorum, one person of which shall be the chief executive officer or an employee alternate. Meetings of this committee may be conducted by telephone conference call provided a reasonable attempt is made to reach all members, a quorum is present, and the technical arrangements permit all persons participating to hear each other. Actions taken under this authority shall be reported to the Association Board of Directors at its next regular meeting.

610 Loan Committee

The Board of Directors may delegate to the chief executive officer, individual employee(s), and committee(s) of employees of the Association the authority to approve applications for membership and loans or participations within specified limits. The loan committee shall have, possess, and exercise such other power and authority as may be delegated to it by the Board of Directors.

620 Other Committees

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

630 Quorum

A majority of any committee shall constitute a quorum.

640 Withdrawal from Meeting

A member of the Board of Directors or an employee or director serving on any committee shall withdraw from and shall not participate in, directly or indirectly, the meeting of the Board or committee during its deliberation and determination of any matter affecting the director's or employee's personal interests, or the interests of any relative of or any entity controlled by the director or employee, and the minutes shall so state.

ARTICLE VII--CAPITAL STOCK AND PARTICIPATION CERTIFICATES

REF: FCA Regulation 615.5220

700 Authorization

The Association is authorized to have outstanding Class A Common Stock, Class C Common Stock, Class P Common Stock, and Participation Certificates. Each share of stock or participation certificate issued shall have a par value of \$5.00. Fractional shares of stock or participation certificate shall not be issued. Except where expressly stated in these bylaws, all transfer, exchange, conversion and retirement of stock and participation certificates shall be at the sole discretion of the Board of Directors at book value not to exceed par.

705 Ownership

Evidence of ownership of stock and participation certificates shall be by book entry. The Association shall be its own transfer agent in all matters relating to its capital stock and participation certificates.

706 Approval

The bylaws in this Article and any amendment thereto shall not become effective until approved by a majority of the voting stockholders of the Association in accordance with Section 4.3A(c)(2) of

the Act, voting in person or by written proxy at a duly authorized meeting. Each issuance of preferred stock shall be approved by a majority of the shares of each class of equities affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

707 First Lien

The Association shall have first lien on all stock and participation certificates to secure any indebtedness of the holder of such stock or participation certificates to the Association.

710 Class A Voting Stock

710.1 Holder

This stock may be issued as a condition for obtaining a loan to borrowers who are farmers, ranchers or producers or harvesters of aquatic products.

710.2 Amount

Class A Stock purchased as a condition to obtaining a loan may be issued in unlimited amounts.

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Class A Stock shall be purchased by borrowers eligible to hold it as a condition for obtaining a loan in an amount as may be determined by the Board at its discretion within a range between a minimum of 2% of the aggregate amount of all the borrower's loans or \$1,000, whichever is less, and a maximum not to exceed 10% of each of the borrower's loans.

Class A Stock need not be purchased by any borrower whose loan, at the time the loan is made, is designated for sale into a secondary market, and is in fact sold within the 180 day period beginning on the date of designation. If such loan is not sold into a secondary market by the expiration of the 180-day period, the borrower shall purchase Class A Stock in the amount set forth above for loans not sold into a secondary market. In cases where

(1) stock has been issued on a loan outstanding on February 10, 1996, the effective date of the Farm Credit System Reform Act of 1996, or (2) stock is issued on a loan made on or after February 10, 1996 that is designated for sale into a secondary market but is not sold during the 180-day period beginning on the date of designation, and where such loan is subsequently sold into a secondary market, the stock shall be retired provided that minimum regulatory capital adequacy standards are met. The retention by the Association of a subordinated participation interest in any loan sold into a secondary market under Title VIII of the Act shall not affect the application of this bylaw to such loan.

710.3 Retirement

Except as provided in Section 710.2, Class A Stock may be retired and paid at the sole discretion of the Board of Directors provided that minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met.

710.4 Voting

Holders of Class A Stock shall be entitled to full voting rights. Each Class A stockholder shall only have one vote, regardless of the number of shares owned or the number of loans outstanding, except as provided in Section 706 regarding the issuance of preferred stock. Cumulative voting for directors will not be permitted.

710.5 Dividends

Dividends may be paid on Class A Stock at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the Association will continue to exceed theregulatory minimum capital adequacy standards or any board-established capital standard, which ever is higher.
2. Current earnings or earned surplus is sufficient to pay the dividend amount.

Class A Stock shall have an equal right with other classes of common stock or participation certificates to any dividends declared by the Board.

710.6 Patronage Distributions

Holders of Class A Stock shall be eligible to receive patronage distributions in accordance with Article VIII of these bylaws.

710.7 Transfer

Class A Stock may be transferred to persons who assume liability for the transferor's loan, provided the assumptor is eligible under these bylaws to hold voting stock. Such a transfer shall be a necessary condition to the release of the transferor from liability on the loan.

Outstanding Class A Stock may be transferred to a third party eligible to hold it as a condition to obtaining a loan when the Association meets minimum regulatory capital adequacy standards.

Class A Stock shall not be pledged or hypothecated to third parties and may be transferred on the Association's books only as authorized by these bylaws.

710.8 Cancellation

Cancellation of Stock Ownership in Default--If the debt of a holder of Class A Stock is in default, the Association may retire at book value, not to exceed par, all or part of such stock owned by the borrower in total or partial liquidation of the debt.

720 Class P Common Stock - Nonvoting

720.1 Holder

This stock may be issued to borrowers eligible to hold Class A Common Stock or participation certificates. The issuance of this stock for the purposes of accepting the distribution of Association earnings shall be a condition to obtaining a loan.

720.2 Amount

1. Class P Common Stock may be issued in unlimited amounts. This stock shall be issued in series with the stock issued in each fiscal year constituting a separate series.
2. Class P Common Stock may be issued as provided in these bylaws for allocated surplus distributions (Section 820), stock dividends (Section 830), and patronage distributions (Section 840).

720.3 Retirement

This stock may be retired at the sole discretion of the Board in accordance with the policy and procedure of the Association Board provided that the minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met after the retirement, taking into account the payment of all declared dividends and/or payment of allocated equities to holders. There is no express or implied right for Class P Stock to be retired at the end of any revolving cycle or at any other time.

720.4 Voting

Holders of Class P Stock shall not vote except as may be provided in Section 706 regarding the issuance of preferred stock.

720.5 Dividends

Dividends may be paid on Class P Stock at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the Association will continue to exceed the regulatory minimum capital adequacy standards or any board-established capital standard, which ever is higher.
2. Current earnings or earned surplus is sufficient to pay the dividend amount.

This stock shall have an equal right to any dividends on common stock declared by the Association's Board of Directors.

720.6 Patronage Distributions

Ownership of Class P Stock will not entitle holders to any patronage distributions declared by the Association's Board of Directors.

720.7 Transfer

This stock may be transferred to any person or legal entity

720.8 Conversion

This stock may not be converted.

720.9 Cancellation of Stock Ownership in Default

If the debt of a holder of Class P Stock is in default, the Association may retire at book value, not to exceed par, all or part of such stock owned by the borrower in total or partial liquidation of the debt.

730 Class C Stock - Nonvoting

730.1 Holder

Class C Stock will be issued only for conversion of Class A Stock of borrowers upon repayment of the related loan. Such conversion must occur within two years of repayment.

730.2 Amount

Class C Stock issued upon conversion of Class A Stock may be issued in unlimited amounts. Par value will be the same as the converted Class A Stock.

730.3 Retirement

Retirement shall be at the sole discretion of the Board of Directors provided that the minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met.

730.4 Voting

Holders of Class C Stock shall not vote except as may be provided in Section 706 regarding the issuance of preferred stock.

730.5 Dividends

Dividends may be paid on Class C Stock at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the Association will continue to exceed theregulatory minimum capital adequacy standards or any board-established capital standard which ever is higher.
2. Current earnings or earned surplus is sufficient to pay the dividend amount.

Class C Stock shall have an equal right with other classes of stock to any dividends declared by the Board.

730.6 Patronage Distributions

Class C Stock shall not share in any patronage distribution.

730.7 Transfer

Class C Stock may be transferred to any person eligible to hold Class A Stock.

730.8 Conversion

Class C Stock held by a former borrower may be converted to Class A Stock when the former borrower receives a new loan and meets the eligibility requirements of 710.1.

If the Association meets the minimum capital adequacy standards, Class C Stock transferred to a third party may be converted to Class A Stock to satisfy stock purchase requirements for a new loan to the third party.

730.9 Cancellation

Cancellation of Stock Ownership in Default--If the holder of Class C Stock has a loan which is in default, the Association may retire at book value, not to exceed par, all or part

of such stock owned by the borrower in total or partial liquidation of the debt.

740 Participation Certificates

740.1 Holder

1. Participation Certificates will be issued as a condition for obtaining a loan from the Association by borrowers or applicants who are:
 - a. rural residence borrowers;
 - b. persons or organizations furnishing farm-related services; or,
 - c. other persons or organizations who are eligible to borrow from the Association, but are not eligible to hold Class A Stock.
2. Participation Certificates may be issued to any person who is not a member but who is eligible to borrow from the Association, or from another System institution, for the purpose of qualifying such person for technical assistance, financially related services, and leasing services offered by the Association.
3. Participation Certificates may be issued at the discretion of the Association Board to lending institutions that originate loans in which the Association agrees to purchase a participation interest.

740.2 Amount

Participation Certificates issued under Section 740.1 may be issued in unlimited amounts. Participation Certificates shall be purchased by borrowers eligible to hold it as a condition for obtaining a loan in an amount as may be determined by the Board at its discretion within a range between a minimum of 2% of the loan amount or \$1,000, whichever is less and at a maximum not to exceed 10% of the loan amount.

Participation Certificates need not be purchased by any borrower whose loan, at the time the loan is made, is designated for sale into a secondary market, and is in fact sold within the 180 day period beginning on the date of designation. If such loan is not sold into a secondary market by the expiration of the 180-day period, the borrower shall purchase Participation Certificates in the amount set forth above for loans not sold into a secondary market. In cases where (1) Participation Certificates have been issued on a loan outstanding on February 10, 1996, the effective date of the Farm Credit System Reform Act of 1996, or (2) Participation Certificates are issued on a loan made on or after February 10, 1996 that is designated for sale into a secondary market but is not sold during the 180-day period beginning on the date of designation, and where such loan is subsequently sold into a secondary market, the Participation Certificates shall be retired provided that minimum regulatory capital adequacy standards are met. The retention by the Association of a subordinated participation interest in any loan sold into a secondary market under Title VIII of the Act shall not affect the application of this bylaw to such loan.

740.3 Retirement

Except as provided in Section 740.2, retirement shall be at the sole discretion of the Board of Directors provided that the minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met.

740.4 Voting

Holders of Participation Certificates shall not have voting rights except as may be provided in Section 706 of these bylaws regarding issuance of preferred stock.

740.5 Dividends

Dividends may be paid on Participation Certificates at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the Association will continue to exceed theregulatory minimum capital adequacy standards or any board-established capital standard which ever is higher.
2. Current earnings or earned surplus is sufficient to pay the dividend amount.

Participation Certificates shall have an equal right with other classes of common stock to any dividends declared by the Board.

740.6 Patronage Distributions

Holders of Participation Certificates shall be eligible to receive patronage distributions in accordance with Article VIII of these bylaws.

740.7 Transfer

Participation Certificates may be transferred to persons who assume liability for the transferor's loan, provided the assumptor is eligible under these bylaws to hold such equities. Such a transfer shall be a necessary condition to the release of the transferor from liability on the loan. Outstanding Participation Certificates may be transferred to a third party eligible to hold them as a condition to obtaining a loan when the Association meets minimum regulatory capital adequacy standards.

Participation Certificates shall not be pledged or hypothecated to third parties and may be transferred on the Association's books only as authorized by these bylaws.

740.8 Cancellation

If the debt of a holder of Participation Certificates is in default, the Association may retire at book value, not to exceed par, all or part of such equities owned by the borrower in total or partial liquidation of the debt.

750 Impairment

750.1 Any losses which result in impairment of Association capital stock will be borne ratably by each share or unit of Class A Stock, Class P Stock, Class C Stock and Participation Certificates.

750.2 Any restoration of impairment shall be apportioned ratably to each share or unit of each class of common stock or participation certificates until the book value of all such stock or participation certificates is at least equal to the par value.

760 Distribution on Liquidation

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

First, to the holders of common stock and participation certificates, pro rata in proportion to the number of shares or units of participation certificates then outstanding until an amount equal to the aggregate par value or unit value of all shares of such stock and participation certificates issued and outstanding has been distributed to such holders; and

Second, to the holders of Allocated Surplus as provided in Section 820 of the bylaws pro rata, on the basis of the oldest allocations first, until an amount equal to the balance outstanding in this account has been distributed to the holders; and

Third, any remaining assets of the Association after such distributions shall be distributed to the members and equity holders, both past and present, in proportion to which the aggregate patronage of each such member and equity holder bears to the total patronage of all such parties insofar as practicable, unless otherwise provided by law.

ARTICLE VIII--DIVIDENDS AND PATRONAGE DISTRIBUTIONS

800 Application of Earnings or Losses

- 800.1 At the end of each fiscal year, the Association shall apply its earnings for such fiscal year as follows and in the order listed:
1. To cover operating expenses including additions to loss allowances, in accordance with generally accepted accounting principles and as provided by law;
 2. To restore the amount of any impairment of all capital stock and participation certificates as provided in Section 720 of the bylaws;
 3. To restore the amount of any impairment of allocated surplus in the manner determined by the Board;
 4. To create and maintain an unallocated surplus account as provided in Section 810 of these bylaws;
 5. To pay dividends on capital stock of the Association if authorized; and
 6. To make patronage distributions if authorized pursuant to Section 840 of these bylaws.
- 800.2 In the event of a net loss for any fiscal year, after applying earnings for such fiscal year as provided in Section 800.1 above, such loss shall be absorbed by: first, charges to the unallocated surplus account; second, impairment of the allocated surplus accounts in the manner determined by the Board; and third, impairment of capital stock as provided in Section 750.1.

810 Surplus Accounts

The Association shall create and maintain an unallocated surplus account and may maintain an allocated surplus account. The minimum aggregate amount of these two accounts shall be determined by the Association's Board. At the end of any fiscal year that the surplus accounts otherwise would be less than the amount determined to be sufficient by the Board for sound capitalization, the Board shall apply earnings for the year to the unallocated surplus account in such amount that meets the reasonable needs of the Association

820 Allocated Surplus Account

- 820.1 The Association may create and maintain an allocated surplus account consisting of earnings held therein and allocated to borrowers on a patronage basis pursuant to Section 840 of these bylaws. In the event of a net loss for any fiscal year, such allocated surplus account shall be subject to impairment in the order specified in Section 800.2 of these bylaws, and on the basis of latest allocations first.
- 820.2 The Association shall have a first lien on all surplus account allocations owned by any borrower, and all distributions thereof, as additional collateral for the borrower's indebtedness to the Association.
- 820.3 When the debt of a borrower is in default or is in the process of final liquidation by payment or otherwise, the Association may order any and all surplus account allocations owned by such borrower to be applied on the indebtedness. Any such retirement and application of surplus account allocations to indebtedness shall be before similar retirement of capital stock owned by the borrower.
- 820.4 Whenever all of the capital stock and participation certificates of the Association owned by a member are retired or otherwise disposed of, any surplus account allocations owned by such member shall be retired only in accordance with Sections 820.5 and 850 of these bylaws.
- 820.5 Allocated surplus may be distributed, oldest allocations first or otherwise as approved by the Association Board, in its sole discretion, in Class P Stock of the Association and/or in

cash, provided minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met. The cash proceeds may be applied against the indebtedness of the borrower to the Association.. Distributions of less than the full amount of all allocations issued as of the same date shall be on a pro rata basis. Any part of a distribution in Class P Stock to one owner that is less than \$5.00 may be held by the Association and cumulated with subsequent partial distributions to the owner until the partial distributions equal one whole share of Class P Stock.

830 Dividends

- 830.1 The Board of Directors may declare dividends out of current earnings or earned surplus on any class or classes of stock or participation certificates eligible to receive dividends, provided that at the time of declaration and after payment of the dividend, the Association will continue to exceed the regulatory minimum capital adequacy standards or any board-established capital standard, whichever is higher, and no class of stock or participation certificates is impaired. Dividends shall be noncumulative, and shall be without preference as to rate and priority of payment between classes of common stock, between classes of common stock and participation certificates, and between holders of the same class of stock or participation certificates. The rate of dividends to be paid shall not exceed 8% per annum.
- 830.2 Dividends may be paid in cash, Class P Stock, or partly in cash and partly in such stock. Any part of such dividends to one owner payable in stock that is less than \$5.00 may be distributed in cash or held by the Association and cumulated with subsequent dividends until the retained dividends equal \$5.00 so that the dividends may be distributed as one whole share of Class P Stock. 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 180 calendar days prior to the effective date of the declaration.

840 Patronage Distributions

- 840.1 Distribution of Patronage. 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 APatronage Resolution®), obligate the Association to distribute its available Patronage-Sourced Net Earnings to Patrons. Such distributions shall constitute patronage dividends, within the meaning of Code Section 1388, and shall be allocated on the basis of the quantity or value of patronage business done with the Association and its Subsidiaries. Patrons shall include holders of voting stock and such other members, 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 consolidated net earnings of the Association, PCA and FLCA for the fiscal year, as computed under the terms of the Patronage Resolution, 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. 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 VIII of the Bylaws.

The Patronage-Sourced Net Earnings available for patronage distribution shall be determined after making provision for the requirements of Section 800.1, including the setting aside of a portion of the net earnings in the unallocated surplus account, as deemed prudent for sound capital accumulation. 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.

- 840.2 Proportionate Distribution. All patronage distributions shall be allocated among Patrons

in the proportion to interest paid by each Patron for the period, or such other proportionate patronage basis as may be approved by the Board consistent with the requirements of Subchapter T of the Internal Revenue Code. A Patron who pays interest or contributes to the Association's net profitability, as applicable, during the distribution period for which the patronage distribution is made shall be entitled to receive a pro-rata share of the patronage distribution regardless of whether the Patron continues to be a Member of the Association on the date the declaration of the patronage distribution is made. The Board may establish, on a fair and equitable basis, separate patronage pools for patronage transactions of the same type or with similar characteristics. Any such pools shall be charged a fair and equitable allocation of expenses. Earnings from transactions that do not constitute patronage transactions, including transactions with Members done on a non-patronage basis, will be segregated into a separate pool and will be not available for patronage distribution.

840.3 Reserved

840.4 Payment of Distributions. Patronage distributions may be in cash, Class P Common Stock, or allocations of earnings retained in an allocated surplus account, or any one or more of such forms of distribution. Any portion of a patronage distribution made in the form of Class P Common Stock which is not a multiple of \$5.00 may be distributed in cash or held by the Association for the borrower and included in subsequent distributions. In the event that the cash distribution to a Patron is less than a de minimis amount established by the Board, such cash distribution may, at the discretion of the Board, be retained by the Association and added to unallocated surplus.

840.5 Application to Debt. Any part of the patronage distributions to a borrower may, at the discretion of the Association, be applied on the borrower's indebtedness to the Association or its Subsidiaries.

840.55 Default. When the debt of a borrower is in default and has been placed in nonaccrual status by the Association, the borrower shall not be entitled to receive and the Association shall not be obligated to distribute patronage distributions to such borrower while such debt is in nonaccrual status, unless the borrower paid interest on a cash basis notwithstanding the nonaccrual status of the debt.

840.6 Membership 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 written notices of allocation, as defined in Code Section 1388 (including allocations of surplus and patronage refunds paid in stock but excluding any notice designated as Anonqualified®), 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 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. 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.

840.7 Patron's Consent to Take Patronage Distribution into Income. The Association may obtain from each Patron written consent that the amount of any distributions with respect to the Patron's patronage, which are made in or evidenced by written notices of allocation, as defined in Code Section 1388 (including patronage allocations of surplus accounts and patronage refunds paid in stock but excluding any notice designated as Anonqualified®), 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 written notices of allocation are received. Such written consent may include a consent 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. The form of consent shall be prescribed by the Board and it may be included as part of the loan application or other appropriate form signed by borrowers. Consent may also be obtained by use of a qualified check in the manner provided for in Code Section 1388. Consent under this section shall be continuing in effect, provided that consent (other than consent by qualified check) may be revoked in writing, which revocation shall become effective only with respect to patronage occurring on or after the first day of the first fiscal year of the Association beginning after the revocation is filed with the Association.

840.8 PCA and FLCA. Where the Association arranges for the provision of credit and/or related services to its Members and other borrowers through PCA and FLCA, and such Members and borrowers 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.

850 Retirement of Patronage Accounts

If at any time, the Board of Directors shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or part. The Board of Directors shall have the sole discretion to retire any capital credited to a patron's account, provided minimum capital adequacy standards established by the FCA, and the capital requirements established by the Board, are met. The Board of Directors may take into account special circumstances, such as the death of a patron, in exercising its resolution at a duly called meeting. Any capital retired under this section shall be retired at present value based upon the current revolvment cycle, if any.

860 Limitation

Notwithstanding any other provision of these bylaws, no dividend or patronage refund may be declared or paid which would result in the failure of the Association to meet the regulatory minimum permanent capital adequacy standards as may from time to time be promulgated by the FCA pursuant to Section 4.3 of the Act.

870 Stockholder Approval

Any amendment to Article VII or Article VIII or to the capitalization bylaws of PCA or FLCA, other than a technical amendment not affecting the substantive right of Members, shall not become effective unless approved by the Association's voting stockholders in accordance with Section 4.3A(c)(2) of the Act, voting in person or by written proxy at a duly authorized meeting. Any issuance of preferred stock by the Association, PCA or FLCA or any amendment affecting the preference of an existing class of stock, must be approved by a majority of the outstanding shares of each class of equities of the Association affected by the preference, voting by class, whether or not such classes are otherwise authorized to vote.

ARTICLE IX-EXECUTION OF DOCUMENTS

900 Documents Executed with or on Behalf of Bank

All documents required to be executed in connection with transactions with the Bank may be

executed by the chief executive officer or any other employee so designated by resolution of the Board of Directors.

910 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 of Directors, and, when required, shall be attested to by the secretary or any assistant secretary of the Association: provided, that no person shall sign and attest the same document.

920 Expense and Checks

The chief executive officer or any other employee(s) designated by the chief executive officer shall, subject to post approval of the Board, unless it shall require prior approval under its established policies, approve and pay all expenses of the Association and shall sign all checks and vouchers issued by the Association.

ARTICLE X--RECORDS AND REPORTS

1000 Records

1000.1 Copies of the organization papers of the Association, returns of Association elections, proceedings of all regular and special meetings of stockholders and directors, the bylaws and any amendments thereto, resolutions of the Board of Directors and reports of all committees shall be recorded in the minute books of the Association. The minutes of all committees and of the Board of Directors shall be signed by their respective chairmen or presiding officers and attested to by the person acting as secretary of the meeting.

1000.2 To protect the confidentiality of the resolutions adopted by the Board in casting the ballots for nomination and election of Farm Credit Bank board members, the minutes shall reflect that balloting was held and that the results of the balloting were provided to the Farm Credit Bank's election officer, or the independent tabulator, as applicable. The Board minutes shall be the official record of the balloting.

1010 Reports

Annually the Association shall make available to each member a written financial report, including a statement of income and expense and a statement of condition which shall conform to accounting principles prescribed for the Association by the Farm Credit Act and regulations.

ARTICLE XI--UNCLAIMED PROPERTY

The Association shall seek to pay to the owners the proceeds of any retirement of stock and participation certificates and any accrued dividends. In the event the Association, after a period of five years from the date payable, is unable to determine the address or whereabouts of the owner or the heirs and assigns of the owner, the funds may be taken into income of the Association unless other disposition is required by State law.

ARTICLE XII--FISCAL YEAR

The fiscal year of this Association shall end on the last day of December in each year.

ARTICLE XIII--SEAL

Seal

The following impression or ink stamp facsimile thereof is the seal of the Louisiana Land Bank, ACA. The full name of the Association will appear in the outer ring of the seal with the words "Corporate Seal" appearing in the center of the ring.

ARTICLE XIV--INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES

Section 1400.1 Indemnification

- (a) The Association shall indemnify any director, officer or employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he/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 Board of Directors or its president 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 enterprise, as well as any committee, subcommittee, 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/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.
- (b) The Association shall indemnify any director, officer or employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he/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 Board of Directors or its president 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 enterprise, as well as any committee, subcommittee, or other body of the Farm Credit System existing under authority of statute or otherwise, against expenses (including attorneys' fees) actually or reasonably incurred by him/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 reasonably believed to be in, or not opposed to, the best interests 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 in respect of any claim, issue or matter as to which such director, officer or employee shall have been adjudged to be liable for gross negligence or willful 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 indemnity for such expenses which the court shall deem proper.
- (c) A director's, officer's or employee's conduct with respect to a retirement or other employee benefit plan for a purpose he/she reasonably believed to be in the interests of the majority of participants in and beneficiaries of the retirement or other employee benefit plan is conduct that satisfies the requirement that he/she acted in a manner reasonably believed to be in, or not opposed to, the best interests of the Association.

- (d) The termination or abatement of a claim, threatened claim, suit or other proceeding by way of 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 section.
- (e) 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 .
- (f) Notwithstanding the provisions of Section 1400.1 of this Article, any director, officer, or employee of the Association serving on any committee, special asset group or similar body required or permitted pursuant to the Farm Credit Act of 1971, as amended, shall be deemed to be doing so pursuant to authorization in writing by the Association's Board of Directors or its president of his/her delegate.
- (g) As used in this Article, a party@ means a defendant or respondent in an action, suit, or proceeding.
- (h) Notwithstanding the foregoing, 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 payments to the institution.

1400.2 Additional Indemnification 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 Section 1400.1 to which he/she was a party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with such action, suit, or proceeding.

1400.3 Procedure

Any indemnification under Section 1400.1 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances because he/she has met the applicable standard of conduct set forth in Section 1400.1 of this Article. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. For the purposes of this Section 1400.3, independent legal counsel shall be selected by a quorum of disinterested directors, or if such a quorum is not obtainable, by the Board of Directors.

1400.4 Advances of Expenses

Notwithstanding the provisions of Section 1400.3, reasonable expenses incurred in defending any action, suit or proceeding referred to in Section 1400.1 of this Article 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 30 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 by the Board by a majority vote of a quorum of disinterested directors, or (if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs) by independent legal counsel (selected as provided in Section 1400.3) in a written opinion that, based upon the facts known to the Board or counsel at the time such determination is made, such person acted in bad faith and in a manner opposed to the best interests of the Association, or such person deliberately

breached his/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/her conduct was unlawful.

1400.5 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 shareholders or directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an 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 Section 1400.1 against any liability, except those excluded from indemnification under Section 1400.1(f) of this Article, asserted against or incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this Article.

1400.6 FCA Penalties

Notwithstanding any other provision in this Article, the Association will neither indemnify, nor purchase or maintain insurance to 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 as now or hereafter defined in the Farm Credit Act of 1971, as amended, assessing civil money penalties personally against such individual(s) or requiring affirmative action by such individual(s) to make payments to the Association, PCA or FLCA.

1400.7 Applicable Law

Interpretation of this Article shall be under the law of the state where the Association is located to the extent not inconsistent with applicable federal law.

ARTICLE XV--AMENDMENTS


Except where otherwise provided in these bylaws, or the Farm Credit Act and Regulations, these bylaws may be changed or amended by a vote of the majority of the entire membership of the Board of Directors, provided the notice of the meeting shall contain the exact language of the proposed change or amendment. Amendments to the capitalization bylaws, other than technical amendments not affecting the substantive rights of Members, shall not become effective until approved by the voting stockholders of the Association, voting in person or by proxy at a duly authorized shareholders- meeting. Any amendment affecting the rights of stockholders to cumulate their votes in the election of directors shall not become effective until approved by the voting stockholders of the Association, voting in person or by proxy at a duly authorized shareholders- meeting.

These bylaws and any amendments hereto shall become effective on the date they are officially adopted by the Board of Directors, or the date of approval by the stockholders of the Association to the extent that stockholder approval is required by the Farm Credit Act of 1971, as amended, the Regulations, or these bylaws.

CERTIFICATION

I, the undersigned corporate secretary of Louisiana Land Bank, ACA, hereby certifies that at a meeting duly held on the 28th day of February, 2023, the Board of Directors of said association duly adopted the foregoing Bylaws.

Date: 2/28/2023


Pamela P. Baker
Corporate Secretary