

BYLAWS

OF

TEXAS FARM CREDIT SERVICES

Effective December 1, 2024, amended January 23, 2026

ARTICLE I – PREAMBLE

Section 1.01 - Legal Authority: Ownership

Texas Farm Credit Services (the “Association”) is a federally chartered institution of the Farm Credit System, and as such, it is an instrumentality of the government of the United States of America under the Farm Credit Act of 1971, as amended (the “Act”). The Association is owned and controlled by its stockholders subject to regulation by the Farm Credit Administration (“FCA”) and supervision by the Farm Credit Bank of Texas (“Bank”). It is the objective of the Association to improve the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit along with closely related services to these individuals and to selected farm-related businesses that is appropriate for efficient farm operations.

Subject to the Act and FCA Regulations and under the supervision of FCBT (where mandated by the Act or Regulations), 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, to a Federal Land Credit Association, or, with respect to short and intermediate-term credit, a Production Credit Association. Without limiting the foregoing, these authorities include authority to make (or participate with other lenders in) long-term real estate mortgage loans, short and intermediate term loans, and other similar financial assistance to: (1) bona fide farmers and ranchers and the producers or harvesters of aquatic products, (2) owners of rural homes, and (3) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs. The Association may also provide technical assistance to borrowers, applicants, and members, and may also make available, at their option, financially related services appropriate to customers’ operations to the extent authorized by Regulations. To that end, these bylaws constitute the rules for the internal operation of the Association. FCBT shall have no approval authority in the corporate governance of the Association other than that mandated by law.

Section 1.02 - Relationship with Texas Farm Credit Services, FLCA, and Texas Farm Credit Services, PCA

The Association, Texas Farm Credit Services, FLCA (“FLCA”), and Texas Farm Credit Services, PCA (“PCA”) shall conduct an integrated lending operation. FLCA shall make long-term mortgage loans, participate in loans as authorized under the Act and Regulations, and provide financially related services to qualified borrowers in the Association’s territory. PCA shall provide short and intermediate-term credit, participate in loans as authorized under the Act and Regulations, and provide financially related services to qualified borrowers in the

Association's territory. All three institutions shall enter into a General Financing Agreement ("GFA") with FCBT for the purposes of funding loans originated and made by the Association, FLCA, and PCA pursuant to their respective lending authorities. The indebtedness owed to FCBT under the GFA shall be the joint and several obligations of all three institutions. The Association will, at all times, own all of the voting stock of FLCA and PCA.

Section 1.03 - Construction of Bylaws

These bylaws shall be construed to be consistent with, and to give effect to, the purposes for which the Association was chartered as set forth in this preamble. These bylaws shall not be construed in a manner which would result in their being in violation of, or inconsistent with, applicable law or regulations. No provision of these bylaws shall be construed to grant FCBT, or its corporate successor, any approval authority over the corporate governance of the Association other than that mandated by law.

Section 1.04 - Stockholders

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. Any person to whom an Agricultural Credit Association is authorized by the Act to extend credit and other services is eligible to apply for a loan or other services 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 shall be the stockholder for the purpose of these bylaws. Each member is authorized to speak on any question being considered at stockholders' meetings when recognized by the chairman. Motions (except motions to authorize preferred stock) and nominations or seconds thereto may be made and voted on only by voting stockholders of the Association.

ARTICLE II - OFFICES

Section 2.01 - Principal Office

The principal office of the Association shall be located in Robstown, Texas, or at such other place as the Board of Directors may designate from time to time.

Section 2.02 - Other Offices

The determination of where to locate other offices, including both branch locations and other central office locations, will be made by the Chief Executive Officer taking into consideration the needs of the stockholders.

ARTICLE III - STOCKHOLDERS

Section 3.01 - Time and Place of Meetings: Sectional Meetings

Stockholder meetings may be held at such times and places as shall be determined by the Board of Directors as stated in the notice of the meeting. The Board may provide for any stockholder meeting to be held in consecutive sectional sessions at different times and places. In such case, the date of the convening of the first sectional session shall be the date of the meeting for the purpose of satisfying time requirements under these bylaws. Each stockholder shall be notified of all sessions to be convened and shall be entitled to attend any or all sessions. At each sectional session except the last, the meeting shall be adjourned until the next session of the meeting. The last session must be scheduled for a time no later than fourteen (14) calendar days after the first session. The attendance at all sectional sessions shall be combined for the purpose of constituting a quorum, but no stockholder shall be counted more than once for such purpose, and no stockholder shall be permitted to vote at more than one (1) session. The votes at all sessions shall be counted together to constitute the vote of the meeting. Nominations from the floor, and matters requiring the stockholder vote, including the election of directors and nominating committee members, must be introduced at the first sectional session of the meeting except that if balloting is by mail or electronic as stipulated in Section 4.04, nominations may be made at all sectional sessions of the meeting.

Section 3.02 - Annual Meetings

There shall be an annual meeting of stockholders at such place(s) in the Association's chartered territory or within reasonable distance of the Association territory at date(s) and time(s) as the Board of Directors may decide. This meeting shall be in person with stockholders given the opportunity to attend virtually.

Section 3.03 - Special Meetings

Special meetings of the shareholders for any purpose or purposes may be called by the Chairman of the Board or the Chief Executive Officer and shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the Board or at the request in writing of at least ten percent (10%) of the stockholders owning voting stock in the Association. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice of the meeting.

Section 3.04 - Notice

Notices of meetings shall be in writing and signed by the Chairman of the Board of Directors, an officer of the Association, or by any other person the Board may designate. The notice shall state the place, day, and hour of the meeting (with respect to each session if the meeting is to be held in consecutive sectional sessions), and in the case of a special meeting, the purpose(s) for which the meeting is called. A copy of the notice shall be either delivered

personally or by mail (postage prepaid) or electronically if allowed under FCA Regulations to each voting stockholder of record entitled to vote at the meeting not more than thirty (30) and no less than ten (10) days before the meeting. Personal or mailed delivery of the notice to any officer of a corporation or association or to any member of a partnership shall constitute delivery of the notice to the corporation, association, or partnership. In the event of the transfer of a stock share after delivery or mailing of the notice of and prior to the holding of the meeting, it shall not be necessary to deliver or mail notice of the meeting to the transferee.

Section 3.05 – Quorum: Withdrawal of Quorum

Twenty (20) voting stockholders or one percent (1%) of total number of voting stockholders, whichever shall be larger, present in person, represented by proxy or by mail or electronic balloting, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by law or regulation. If a quorum shall not be present or represented at any called meeting, the stockholders entitled to vote who are present in person or represented by proxy shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or represented which shall include the counting of mail and electronic ballots. At any adjourned meetings at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally described in the notice of the meeting. The stockholders present at a fully organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 3.06 - Majority Vote

When a quorum is present or represented at any meeting, the vote of a majority of the stockholders entitled to vote, present in person, represented by proxy or voting by mail or electronic ballot under Section 4.04, shall decide any question brought before the meeting, unless the question is one upon which by express provisions of 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 members only after the last sectional session.

Section 3.07 - Voting List

A least ten (10) and no later than forty-five (45) days before each meeting of shareholders, the officer or agent having charge of the stock transfer books for shares of the Association shall make a complete list of the stockholders entitled to vote at the meeting or any adjournment thereof with the address of each. The list shall be kept on file at the principal office of the Association from the time of its preparation to the date of the meeting and shall be subject to

inspection by any shareholder at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting during the whole time of the meeting and shall be subject to the inspection of any shareholder who may be present. Failure to comply with this provision, however, will not invalidate any meeting.

Section 3.08 - Closing of Transfer Books

The Board may close the stock transfer books of the Association for a period not exceeding thirty (30) days preceding the date of any meeting of shareholders or vote of shareholders, or the date for the allotment of any rights, or the date when any change or conversion or exchange of capital stock shall go into effect. In lieu of closing the stock transfer books, the Board may fix in advance a date, not exceeding thirty (30) days preceding the date of any meeting of shareholders, or the date for the allotment of any rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date. Such record date shall be used for the determination of the stockholders entitled to notice of and to vote in the meeting, or to any allotment of rights, or to exercise the rights in respect of any change, conversion, or exchange of capital stock. In such case only such members who are stockholders of record on the date so fixed shall be entitled to the notice of and to vote at the meeting, or to receive any allotment of rights, or to exercise rights, as the case may be, notwithstanding the transfer of any stock on the books of the Association after the record date so fixed. In the absence of contrary action by the Board, the date on which the last notice of a meeting is mailed or delivered shall be the record date for determination of stockholders entitled to notice of and to vote at any such meeting and the date on which the Board of Directors adopts the resolution declaring an allotment of rights, or change or conversion or exchange of capital stock, shall be the record date for the determination of the shareholders entitled to receive the allotment of rights or to exercise the rights in respect of the change, conversion, or exchange of capital stock.

Section 3.09 - Entitlement to Vote: Number of Votes

Except as may be otherwise expressly provided by applicable law or regulations or as may be specifically provided elsewhere in these bylaws, only holders of Class B Common Stock shall be entitled to vote at any meeting of the stockholders. Each holder of Class B Common Stock, regardless of the number of shares of stock held and regardless of the number of joint or single loans the stockholder may have with the Association, shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of stockholders. In the case of a joint loan, the vote may be cast by only one (1) of the joint holders authorized in writing by the other joint holders. The vote of a shareholder which is a legal entity shall be cast by an individual duly authorized in a writing filed with the Association. If an individual who is a voting shareholder 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 (1) vote. For purposes of this section, an individual shall be deemed to control another voting stockholder if the individual has more than fifty percent (50%) ownership interest in the other stockholder or the primary collateral securing the other stockholder's loan. In no event may an individual vote more than once.

Section 3.10 - Voting of Treasury or Fiduciary Shares

Shares of its own stock belonging to the Association or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

Section 3.11 - Proxies

At any meeting of the stockholders, any member may be represented and vote by a proxy appointed by an instrument in writing – either by paper or electronically submitted. The proxy shall be filed with the Corporate Secretary of the Association or independent tabulator prior to the time of the meeting. In the event that the written instrument shall designate two (2) or more persons to act as proxies, a majority of such persons present at the meeting (or, if only one (1) shall be present, then that one (1)) shall have and may exercise all of the powers conferred by such written or electronic instrument upon all of the persons so designated unless the instrument shall provide otherwise. No proxy shall be valid after the expiration of eleven (11) 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 (7) years from the date of its execution. Subject to the above, any proxy duly executed is not revoked and continues in full force and effect until an instrument revoking it or a duly executed proxy bearing a later date is filed with the Corporate Secretary of the Association. Voting in person or by proxy shall be used in mergers of the Association with other Farm Credit System associations and on other matters where required under the Act or FCA regulations.

Section 3.12 - Method of Voting; Action Without Meeting

Whenever the vote of stockholders at a stockholder meeting is required or permitted to be taken in connection with any Association action by any provision of applicable law or regulations, the meeting and vote of stockholders may be dispensed with if all the stockholders who would have been entitled to vote upon the action if the meeting were held shall consent in writing to the actions being taken. At all stockholder meetings, the manner of voting shall be at the discretion of the Chairman of the meeting unless any stockholder at the meeting shall demand voting by written or electronic ballot or unless otherwise specified by

law, regulations, or these bylaws, in which event voting shall be conducted by written or electronic ballot or as otherwise so specified; provided, however, that with respect to any proceeding subject to a vote of the stockholders: (a) signed ballots shall not be used, and (b) measures shall be implemented to safeguard the voting process for the protection of the right of shareholders to a secret ballot.

The foregoing shall not impair the Association's ability to use mail or electronic balloting in the election of directors and nominating committee members as provided in Section 4.04.

ARTICLE IV - DIRECTORS

Section 4.01- Number and Qualification of Directors

The Board of Directors shall consist of elected stockholder directors, outside directors appointed by the Board, and may consist of appointed stockholder director(s) selected by the Board. From time to time, the Board will re-evaluate the needs of the Association and make determinations as to the number of directors required to effectively fulfill its duties and responsibilities. While considering the needs of the Association, the Board shall ensure that at no time will the number of appointed directors exceed the regulatory 40% threshold of total board composition.

Appointed Outside Directors. The Board shall ensure that a minimum of two, qualified individuals will serve as appointed outside directors in accordance with the Farm Credit Act of 1971 as amended. The outside director(s) shall be appointed to the Board by the other members thereof. No person may serve as an outside director if such person is a director of a Farm Credit institution, other than the PCA or the FLCA, or an officer, employee, agent, or stockholder of any System institution. An outside director shall be automatically removed from the Board if the outside director becomes a director (other than of the FLCA or the PCA), officer, stockholder, employee, or agent of any System institution. An outside director is subject to removal from the Board by the other directors as provided in Section 4.15.

Elected Stockholder Directors. The Board shall determine how many elected stockholder directors are needed to adequately represent the interests of the stockholders. The elected directors shall represent the Association's territory with directors being nominated from each Nominating Region as defined herein, which may be modified at the sole discretion of the Board.

Appointed Stockholder Directors. The Board may determine that the best interests of the Association and stockholders would allow for one or more stockholders to be appointed to serve on the Board. Considerations as to unique knowledge, skill sets, and other distinguishing characteristics will be evaluated to ensure adequate representation of the stockholders in the boardroom. At no time shall the number of Appointed Directors, whether they are outside or stockholder, exceed 40% of the total Board.

General Requirements for Appointed and Elected Directors. Except as hereinafter provided for outside director(s), no person shall be elected or continue to serve as a director unless they are a bona fide farmer, rancher, or producer or harvester of aquatic products and either resides or conducts agricultural operations in the Association's operating territory, is a holder of voting stock in the Association, or is an individual designated to vote the stock of a corporation or partnership so long as that individual holds stock in the corporation or is a member of the partnership and meets all other requirements for serving as an Association director. No person may serve as a director if they are in violation of the Act or its implementing regulations.

Out of the aforementioned director categories, one (1) director must be designated as a Financial Expert on an annual basis.

The qualifications, manner of nominations and elections, basis for removal, and related matters respecting outside directors shall be determined from time to time by the Board.

Term. All directors shall be elected or appointed for the same term. The length of the term shall be set by the Board and may be evaluated from time to time to ensure the best interests of the Association and stockholders are being met.

Section 4.02 - Eligibility Restrictions on Directors

1. No individual shall be eligible for election or re-election as an elected or appointed director if they are seventy-five (75) years of age on or before January 1st of the election year.
2. No individual shall be eligible to become a salaried officer or employee of the Association if such individual served on the Association's Board of Directors within twelve (12) months immediately preceding the time employment would otherwise commence. Likewise, no salaried officer or employee of the Association shall be eligible to serve on the Board of Directors within twelve (12) months immediately preceding the time employment ended.
3. No person who is a director of another System institution, either at the Association or Bank level, (other than FLCA and PCA) shall be eligible to be elected or appointed as a director, and such person may not serve as a director. A person who is a director, officer, or employee of a non-System financial institution which is authorized to make the same types of loans that may be obtained from the Association shall not be eligible to be elected or appointed as a director of the Association.
4. A salaried officer or employee of any institution of the Farm Credit System is not eligible to be elected or appointed and may not serve as a director nor shall any such person be

elected or appointed as a director within twelve (12) year after ceasing to be employed by the Association or any other institution of the Farm Credit System.

Section 4.03 - Nominating Committee

Annually, the voting stockholders shall elect a nominating committee of voting stockholders. The nominating committee shall operate under policies and procedures approved by the Board consistent with applicable FCA Regulations. The nominating committee shall consist of residents (as defined in Section 4.04) of each Nomination Region (as such regions are defined in Section 4.04) in a number that ensures representation of the stockholders. The voting stockholders shall also elect such number of alternate members, either assigned to a specific Nominating Region or at large, as the Board may determine from time to time, who shall serve in the event any member of the nominating committee is unable to carry out the necessary duties. A vacancy shall be filled as follows: (1) by the alternate specifically designated by a vote of the voting stockholders to replace the absent committee member, (2) from among the alternates, if any, by a vote of the remaining members of the nominating committee, and (3) if there are no alternates eligible to serve, the remaining members of the nominating committee shall fill the vacant position(s) from among the voting stockholders willing to serve. If nominations are conducted on a regional basis, an alternate member shall be seated on the nominating committee when a vacancy occurs in the designated region which the alternate member has been elected to represent.

Eligibility of Nominating Committee Members. Members of the Board and salaried officers or employees of the Association are not eligible to serve on the nominating committee. To be eligible to serve on the nominating committee, an individual must be a voting stockholder and reside or operate in the designated region the member is to represent.

Duties of Nominating Committee. The Nominating Committee shall review and evaluate stockholders, ascertain their willingness to serve, and submit for election a slate of eligible candidates which shall include at least two nominees for each director position to be filled. The committee shall attempt to ensure equitable representation to all portions of the Association's operating territory, and to the extent possible, to all types of agricultural practices within the territory. If, after diligent effort, the nominating committee is unable to find more than one willing nominee for any position to be filled and so certifies to the stockholders, after calling for nominations from the floor, the Association may proceed with the election.

At the annual meeting, the nominating committee may present, through its designee, a list of candidates for both the nominating committee and director positions to the voting stockholders for consideration. If the annual meeting is held in consecutive sectional sessions and

nominations are made on a regional basis, nominations may be made from the floor only at the session for the designated region or regions as announced in the notice of the meeting.

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 kept in accordance with the Association's records disposal schedule.

Section 4.04 - Eligibility Restrictions on Nominating Committee Members.

A salaried officer or employee of the association or any institution of the Farm Credit System is not eligible to serve on the nominating committee and may not serve on the nominating committee within twelve (12) months after ceasing to be employed by the association or any other institution of the Farm Credit System.

Nominating Committee members will no longer be eligible to serve upon reaching the age of seventy-five (75) on or before January 1st of the election year.

A nominating committee member may not be a candidate for election to the Board if the member attended any meetings of the Nominating Committee for the same election year.

A person who was nominated as a director but was not elected as a director may not serve on the nominating committee for a period of twelve (12) months from the date the person was nominated as a director.

Section 4.05 - Voting on Shareholder-Elected Directors

Each year, the voting stockholders shall elect one (1) or more directors as may be required to fill the position of each stockholder-elected director whose term is expiring or to fill any vacancy on the Board other than the outside director(s) or the Appointed Stockholder Director positions.

Section 4.06 - Nominating Regions

The Board shall apportion the territory of the Association into geographic regions ("Nominating Regions") for the purpose of nominating stockholder-elected directors to ensure equitable representation of the Association's membership and the types of agriculture conducted within the territory on the Board of Directors. Candidates for each director position must reside in the Nominating Region corresponding to the position. A voting stockholder is treated as residing in a Nominating Region if: (1) the primary personal residence is located in the Nominating Region, (2) the voting stockholder's principal office of the operation is within the Nominating Region, or (3) if the voting stockholder's residence or principal office of the operation is located outside of the Association's Chartered Territory but the loan is serviced from an office located in such Nominating Region. The Agreement specifies the allocation of

director positions among the Nominating Regions as of effective date of these Bylaws. The counties making up the Nominating Regions are outlined in the following table:

Region	Counties
1	Aransas, Atascosa, Bandera, Bee, Bexar, Brooks, Cameron, DeWitt, Dimmit, Duval, Edwards, Frio, Goliad, Gonzales, Guadalupe, Hidalgo, Jim Hogg, Jim Wells, Karnes, Kenedy, Kerr, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Starr, Uvalde, Val Verde, Webb, Willacy, Wilson, Zapata, Zavala
2	Anderson, Angelina, Austin, Chambers, Cherokee, Fayette, Freestone, Hardin, Henderson, Houston, Jasper, Jefferson, Lee, Leon, Liberty, Limestone, Montgomery, Nacogdoches, Newton, Orange, Panola, Polk, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Waller, Washington
3	Bowie, Camp, Cass, Collin, Cooke, Dallas, Delta, Denton, Fannin, Franklin, Grayson, Gregg, Harrison, Hopkins, Hunt, Kaufman, Lamar, Marion, Morris, Rains, Red River, Rockwall, Smith, Tarrant, Titus, Upshur, Van Zandt, Wood

Section 4.07 - Changes to Nominating Regions

The Board may change the number and boundaries of the Nominating Regions as it deems necessary or appropriate to ensure equitable representation to serve the best interests of the stockholders.

Section 4.08 - Floor Nominations

At the meeting where any such directors or Nominating Committee members are to be voted upon, the Nominating Committee, through its designee, shall submit the slate of candidates for election and will then entertain nominations from the floor. Floor nominees may only be made after the nominating committee has provided its list of director-nominees. The nominator need only be a voting stockholder of the Association. No more than a second by a voting stockholder to a nomination from the floor is required.

After receiving a floor nomination, the floor nominee must state if the nomination is accepted. Nominees from the floor for director must provide in writing (within five (5) business

days of the nomination) their name, age, other directorships, business experience for the past 5 years, and principal occupation and employment for the past 5 years.

Section 4.09 - Specific Director Election Procedures.

1. Impartial Election - The director election process will be conducted in an impartial manner. To provide for impartiality:

a. No director, employee, or agent of the association shall, for the purpose of furthering the interest of any candidates for nomination or election, furnish or make use of records that are not available for use by all declared candidates.

b. No director of the association shall make any statement, either orally or in writing, which may be construed as intending to influence any vote in that institution's director nominations or elections. This paragraph shall not prohibit director candidates from engaging in campaign activities on their own behalf.

2. Voting at Annual Meeting – The Board may elect to hold voting for Directors and Nominating Committee members at the annual meeting. The procedure for such in person voting shall be as follows:

a. Voting stockholders shall cast their ballots confidentially, and the Chairman (or chairman's designee) conducting the election shall appoint a tellers committee of eligible voting stockholders or an independent tabulator to tally the ballots. Voting stockholders who are directors, candidates, or members of the Nominating Committee and alternates are ineligible to serve on the tellers committee or as the independent tabulator.

b. All candidates shall be listed on the ballot by position to be filled. For each vacancy, two or more different candidates will stand for election, and no individual may be nominated for more than one vacancy. 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.

c. The tellers committee or independent tabulator shall convene to tally the ballots and shall report the results to the Chairman, or chairman's designee, who shall inform the shareholders of the results.

d. 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 stockholders only after the last sectional session.

- e. Tie Vote - If no person is elected to a Director 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. 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 Association in advance of the election and announced in the Notice of Meeting or as approved by the Board of Directors. If the meeting is held in consecutive sectional sessions and the tie is between more than two (2) Director candidates, the tie shall be broken by reballoting, by mail or electronically, those voting stockholders which were registered in attendance at the consecutive sectional sessions of the annual meeting. The ballots will be cast by mail, counted by the tellers committee or independent tabulator, and the results reported to the members as outlined in Section 4.05(c) of these bylaws. Notwithstanding the above, if the tie is between only two (2) Director candidates, and if the candidates agree, the tie may be broken by any other method approved by the Association in advance of the election and announced in the Notice of Meeting. In the event there is a tie between Nominating Committee candidates, the Board may allow for those candidates to serve in whatever capacity they deem necessary without the need for a runoff or reballoting.
3. Voting by Mail / Electronic Balloting - The Board may elect to hold all voting for Directors and Nominating Committee members by mail and electronic ballot. The procedure for such mail and electronic ballot shall be as follows:
 - a. Within ten (10) business days following the date of the annual meeting, a ballot shall be mailed to each voting shareholder. The ballot may be completed either electronically or by returning the mailed ballot; however, only one (1) ballot shall be counted per stockholder. The ballot received first by the tabulator shall be counted.
 - b. Mailing a ballot to a stockholder's address as recorded in the books and records of the Association shall be conclusive evidence of receipt of the ballot by the stockholder.
 - c. The election polls shall be closed at the end of the twenty-first (21st) business day following the date on which the ballots are mailed to the voting stockholders.
 - d. On the first business day after the polls are closed, the tellers committee or independent tabulator shall convene to tally the ballots returned prior to the closing of the polls.
 - e. The tellers committee or independent tabulator shall report the results of the election to the CEO of the Association, or a designated member of the Election Committee, who shall ensure a notice to the members is mailed within ten (10) business days announcing the results of the election.

f. 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.

Section 4.10 - Term of Office

All Directors, whether appointed or elected will serve a full three (3) year term. The number of terms shall be unlimited subject to other restrictions as set forth herein. If a director is appointed, that director shall serve until the board meeting following the third anniversary of his or her appointment, or for the unexpired portion of the term for which the director was elected if the director were elected to fill a vacated position on the Board.

Each director shall continue in office until a successor is elected or appointed unless the director resigns, is removed from office, becomes unable to act by reason of death or disqualification, or unless the term of the director's position is shortened or terminated by action of the voting stockholders in connection with a merger or consolidation.

Section 4.11 - Staggered Terms

If as a result of a change in the number of directors or for any other reason 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 directors who are voting stockholders, and not to extend beyond the first Board meeting following the third anniversary of his or her election with respect to a director elected by the other directors, as will establish or re-establish expiration of terms of directors on an equitably staggered basis.

Section 4.12- Vacancies

Except as provided in Section 5.34 of the Act, with respect to directors who are required to be voting shareholders, whenever a vacancy occurs in the Board of Directors other than from the expiration of a term of office, the remaining directors may, by majority vote, appoint an eligible qualified voting stockholder (or voting representative of a stockholder which is a corporation or partnership, provided such representative is a shareholder in the corporation or partner in the partnership as the case may be) to fill the vacancy until the term expires or unless the Board determines that a special meeting of the members should be called for that purpose. At no time should the appointment cause the number of stockholder-elected directors to be less than 60% of the total number of directors. With respect to appointed director positions, a vacancy shall be filled as set forth herein.

Section 4.13 - Duties of Directors

The Board of Directors shall be responsible for the general control and direction of the affairs of the Association. The Board shall determine Association policy consistent with applicable law and regulations and shall see that its policies are implemented by the management of the Association. In performing its duties, the Board of Directors shall exercise all powers of the Association and shall have the authority to take all such lawful acts with respect to the affairs of the Association except those which are specifically reserved to the stockholders under applicable law, regulations, the Association's charter, or these bylaws. At its election, the Board may delegate to an executive committee, and such other committees as the board deems appropriate composed of less than all of its members, the responsibility for performing specific Board functions and may grant to the executive committee such rights, powers, and authority as may be necessary to enable the executive committee to carry out those responsibilities. The Board is required to establish an audit committee and compensation committee with the roles and responsibilities determined by the Board and consistent with Regulations.

The Board shall recognize that the Association, FLCA, and PCA 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 institution's combined financial condition.

Section 4.14 - Board Meetings

The Board of Directors of the Association may hold both regular and special meetings at such times and locations as may be designated by the Chairman. A director shall be considered present at a meeting if appearing by telephone or video conferencing technology with the other directors participating in the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board provided that each Board member is made aware of the regularly scheduled time and location for each such meeting and further provided that the meetings are actually held at the regular time and place. Special meetings of the Board of Directors may be called by the Chairman of the Board or by the Chief Executive Officer and shall be called by the Chief Executive Officer or Secretary on the written request of any two (2) directors. Written notice of the time and place of all special meetings shall be given to each director at least twenty-four (24) hours before the date of the meeting. Except as may be otherwise expressly provided by law, regulations, or these bylaws, the matters to be considered and the purpose of any regular or special meeting of the Board need not be specified in the notice of the meeting.

Section 4.15 - Quorum: Majority Vote

A majority of the total number of directors 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 of Directors, 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 remain.

Section 4.16 - Action Without Meeting

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting of the Board. The signed consent, or a copy of the signed consent, shall be placed in the Association's minute book.

Section 4.17 - Record of Board Action

The Board of Directors shall keep regular minutes of its proceedings which shall be stored electronically or in written format by the Association.

Section 4.18 - Honoraria

Under policies consistent with the Act and applicable regulations, the directors may be paid an honorarium for attendance at Board meetings, committee meetings, or for special assignments on behalf of the Association. Directors may receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board in amount determined from time to time by the Board in accordance with the Act and FCA Regulations.

Section 4.19 - Removal

Any elected or appointed director may be removed from the Board by a majority vote of the voting stockholders present at any annual or special shareholders meeting upon motion for removal, duly made, seconded, and carried provided the notice of the meeting contains a notification that the removal is to be considered. When removal of an elected or appointed director is sought before the expiration of the director's term, the reason for removal will be

documented in annual meeting or board meeting minutes. Any director who is absent for three (3) consecutive regular meetings of the Board may be removed from office by a vote of two-thirds (2/3) majority of the remaining directors at any regular or special Board meeting provided that such removal vote occurs within sixty (60) days of the date of such director's failure to attend his or her third consecutive regular Board meeting. Any elected or appointed director being considered for removal will be prohibited from voting in the removal action. Removal procedures will be reviewed and maintained on a regular basis.

Section 4.20 - Other Grounds for Removal

The office of any elected or appointed director 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, 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. In the event that a stockholder-elected director ceases to be a borrower but continues to hold non-voting stock, such director may continue to serve for the remainder of the unexpired portion of the director's term. If a stockholder-elected director ceases to be a shareholder of the Association, such director's position shall automatically become vacant.

Section 4.21 - Boards of FLCA and PCA

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

Section 4.22 - Committees

The Board shall establish an audit committee, governance committee, and compensation committee and may, at its discretion, appoint such committees as it deems appropriate. The Board shall appoint or discharge any member of such committees and shall establish a charter for each committee it establishes prescribing the duties and responsibilities of such committee. A majority of any committee shall constitute a quorum. A member of the Board of Directors or an employee or director 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 shall so state. Each committee shall keep a written record of its proceedings. Vacancies on any committee shall be filled from among the alternates, if any, by vote of the entire Board.

ARTICLE V - OFFICERS

Section 5.01 - Officers of the Association

The officers of the Association shall include a Chairman and Vice Chairman of the Board, a Chief Executive Officer, a Corporate Secretary, and a Treasurer.

Section 5.02 - Board Appointed Officers

The Board of Directors shall choose a Chairman and Vice Chairman from among the directors and determine the term length for which they will each serve. In addition, each Board committee will select a Chair from the member of the Board committee to serve at the discretion of the Board. The Board shall be responsible for selecting a Chief Executive Officer, who shall serve at the pleasure of the Board, and shall continue in this capacity unless or until the Chief Executive Officer shall resign, die, retire, or be removed by the Board or FCA. The Board shall also be responsible for the appointment of a Standards of Conduct Official (SOCO) who shall serve until such person resigns, dies, retires, or whose employment is terminated or is removed by the Board or FCA.

Section 5.03 - Officers Appointed by CEO

The Chief Executive Officer may appoint such other officers and employees as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time, provided that no member of the Board of Directors may hold any such office.

Section 5.04 - Compensation

The salaries of all officers and employees of the Association shall be fixed by the Board of Directors or by the Chief Executive Officer of the Association to whom such power has been delegated by the Board of Directors provided that the Chairman and Vice Chairman of the Board shall not receive a salary though they shall be eligible to receive the compensation provided for

in Section 4.14 of these bylaws to the same extent that other members of the Board are eligible to receive such compensation.

Section 5.05 - Term Vacancies

Each officer of the Association shall hold office until his or her successor is chosen and qualified or until his or her death, resignation, or removal from office. Any officer or employee elected or appointed by the Board of Directors as designated in Section 5.02 may be removed at any time by the affirmative vote of a majority of the members of the Board or by the Chief Executive Officer if such authority is delegated to the Chief Executive Officer by the Board.

Section 5.06 - Chairman of the Board

The Chairman of the Board shall preside over all meetings of the Board of Directors. The Chairman may appoint a designee to preside over all stockholders' meetings. The Chairman shall see that all orders and resolutions of the Board of Directors, laws and regulations with respect to the Association, and all applicable policies and procedures are carried into effect and shall perform such other duties as may be prescribed by the Board of Directors.

Section 5.07 - Vice-Chairman of the Board

In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman as well as such other duties as may be prescribed by the Board of Directors.

Section 5.08 - Chief Executive Officer

The Chief Executive Officer shall perform such duties and exercise such authority as may be vested or delegated by the Board of Directors. The Chief Executive Officer shall be the senior salaried officer of the Association and as such shall have general supervisory authority and responsibility with respect to all other salaried officers and employees. He or she shall be responsible for the day-to-day operations and management of the Association, and subject to guidelines and limitations established by the Board of Directors, shall employ, supervise, and dismiss any and all salaried officers and employees of the Association, fix their compensation within salary plans approved by the Board, and designate the order of precedence in which the other officers shall act in the absence of any officer.

Section 5.09 - Executive Vice Presidents

In the absence or disability of the Chief Executive Officer and in the order of precedence established by the Chief Executive Officer, Executive Vice Presidents shall perform the duties and exercise the authority of the Chief Executive Officer. They shall also

generally assist the Chief Executive Officer and exercise such other authorities and duties as are delegated to them by the Chief Executive Officer subject to any guidelines and limitations imposed by the Board of Directors.

Section 5.10 - Corporate Secretary

The Corporate Secretary shall keep a complete record of all meetings of the stockholders and Board of Directors and shall be responsible for the corporate records of the Association. The Corporate Secretary shall maintain the corporate seal, if any, and shall affix same to all papers requiring a seal, shall attest the signatures of other officers of the Association, and shall perform all such other duties as may be required by the Board of Directors, the Chief Executive Officer, or these bylaws.

Section 5.11 - Treasurer (CFO)

The treasurer shall have custody of funds, securities, and investments of the Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors or the Chief Executive Officer. The treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors and shall render to the Chief Executive Officer and the Board of Directors an accounting of all transactions and of the financial condition of the Association. The treasurer shall also perform such other duties as may be assigned to him or her by the Board of Directors or the Chief Executive Officer. The Treasurer position may bear the title Chief Financial Officer.

ARTICLE VI - NOTICES

Section 6.01 - Method

Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the records of the Association. Notice by mail shall be deemed to be given at the time when the same shall be deposited in a United States post office or mailbox, postage prepaid. Notice to directors may also be given by electronic (e-mail) transmission.

Section 6.02 - Consent

Whenever all parties entitled to vote at any meeting, whether directors or stockholders, consent either by a writing in the records of the meeting filed with the Corporate Secretary or by presence at the meeting and oral consent entered on the minutes, or by taking part in the deliberations at the meeting without objection, the doings of such meeting shall be as valid as if a meeting had been regularly called and noticed. At the meeting, any business may be

transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum were present at such meeting, the proceedings of the meeting may be ratified and approved and rendered likewise valid and the irregularity or defect waived by a writing signed by all parties having the right to vote at the meeting, and such consent or approval of shareholders may be by written proxy.

Section 6.03 - Waiver

Whenever any notice is required to be given under the provisions of the law, regulations, or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to proper notice.

ARTICLE VII - CAPITALIZATION OF ASSOCIATION

Section 7.01. General Authorization of Classes, Par or Face Value, Voting Rights, Adoption, Form, Ownership

Section 7.01.1

The Association is authorized to have outstanding Class A Common Stock, Class B Common Stock, Class P Common Stock, Class C Preferred Stock and participation certificates. Each share of stock and unit of participation certificates shall have a par or face value of \$5.00. Fractional shares of stock or units of participation certificates shall not be issued. Notwithstanding any provision of this article, no class of stock shall be issued, transferred, retired, have dividends declared or paid upon it, or otherwise be dealt by the Association or any other party except in accordance with applicable law and regulations.

The Association is authorized under Section 7.40 to issue and have outstanding Preferred Stock in the amounts and subject to the conditions and limitations set forth in Section 7.40. Preferred Stock issuances must be approved by a majority of the shares voting of each class of equities adversely affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

Section 7.01.2

Class B Common Stock will have full voting rights, while Class A Common Stock, Class P Common Stock, Class C Preferred Stock, and participation certificates will have no voting rights except as provided in this section. Except as provided in this section, these capitalization bylaws and any amendments thereto shall not take effect until approved by a majority of voting shareholders in accordance with Section 4.3A(c)(2) of the Farm Credit Act of 1971, as amended, (the Act) voting

in person or by written proxy at a duly authorized meeting. Preferred stock must be authorized 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. Cumulative voting for the election of directors or for any other purpose shall not be permitted.

Section 7.01.3

Evidence of ownership of capital stock and participation certificates shall be by book entry except as may otherwise be required by regulation of the FCA. The Association shall be its own transfer agent in all matters relating to its capital stock and participation certificates.

Section 7.02 - Capitalization Plan

The Board of Directors shall adopt a consolidated plan of capitalization for the Association, PCA and FLCA in compliance with these bylaws and applicable regulations.

Section 7.10 - Stock Forms, Rights and Privileges

Section 7.10.1- Class A Common Stock – Nonvoting

Section 7.10.11- Holder

Class A Common Stock will only be issued for the conversion of Class B Common Stock or participation certificates as provided for in Section 7.10.27 and 7.10.47, respectively.

Section 7.10.12 - Issuance

Class A Common Stock may be issued in unlimited amounts.

Section 7.10.13 - Retirement

Class A Common Stock may be retired at the sole discretion of the Association's Board in accordance with the policy and procedure of the Association's Board provided that the Association's Board determines that the Association, FLCA and PCA will meet or exceed minimum capital adequacy requirements established by regulations of the FCA, or such higher capitalization objectives that have been established by the Board, after the retirement, taking into account the payment of all declared dividends or payment of allocated equities to holders.

At its option the Association may retire all or a part of the shares of Class A Common Stock against the outstanding indebtedness of a borrower, in the event of default by the borrower, provided the Association meets or exceeds minimum capital adequacy requirements as established by FCA.

Class A Common Stock shall be retired at book value not to exceed par value.

Section 7.10.14 - Dividends

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

Section 7.10.15 - Patronage Distributions

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

Section 7.10.16 - Transfer

Class A Common Stock may be transferred to any individual or legal entity.

Section 7.10.17 - Conversion

Class A Common Stock may be converted to either Class B Common Stock or participation certificates provided that the holder is eligible to hold such stock or participation certificates. Class A Common Stock that has been transferred may be converted only if the Association meets minimum capital adequacy standards established by FCA at the time of conversion.

Section 7.10.18 - Lien

The Association, FLCA and PCA, as applicable, shall have a first lien on all outstanding Class A Common Stock owned by a borrower as additional collateral for any indebtedness of the borrower to the Association, FLCA and/or PCA.

Section 7.10.2 - Class B Common Stock – Voting

Section 7.10.21- Holder

Class B Common Stock may only be issued to borrowers who are farmers, ranchers, or producers or harvesters of aquatic products.

Section 7.10.22 - Issuance Requirement

Class B stock is required to be purchased by every eligible holder as a condition for obtaining a loan or loans and will be maintained in an amount determined by the Board in its sole discretion from time to time, which amount shall not be greater than 5 percent of each loan balance and shall not be less than 2 percent of the holder's aggregate loan balances outstanding or \$1,000, whichever is less. The number of shares authorized to be issued and outstanding will

be unlimited. Outstanding stock in excess of this requirement may be used to satisfy the stock purchase requirement for new disbursements or new loans to the holder. Class B Common Stock must be purchased by every eligible holder as a condition for obtaining a lease and will be maintained in an amount determined by the Board in its sole discretion from time to time, which amount shall not be greater than 5 percent of the lease and shall not be less than one share. Class B Common 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 B Common 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 made before 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.

Section 7.10.23 - Retirement

Except as provided in section 7.10.22, the amount of the Class B Common Stock that exceeds the amount required in Section 7.10.22 may be retired at the sole discretion of the Board in accordance with the policy and procedure of the Association's Board provided the Association's Board determines that the Association, FLCA and PCA will meet or exceed minimum capital adequacy requirements established by regulations of the FCA, or such higher capitalization objectives that have been established by the Board after the retirement taking into account the payment of all declared dividends and/or payment of allocated equities to holders.

Class B Common Stock shall be retired at book value not to exceed par value.

At its option and upon proper notice to the borrower, the Association may retire all or part of the shares of Class B Common Stock outstanding against the outstanding indebtedness of a borrower in the event of default by the borrower.

If the Association forgives and writes off under Section 4.14A of the Act any of the principal outstanding on a loan to a borrower who is a member of the Association, the Association shall cancel the same dollar amount of borrower stock held by the borrower in respect of the loan, up to the total amount of such stock. In any event, if the borrower has a continuing loan obligation with the Association, the borrower shall be entitled to retain at least one share of Class B Common Stock to maintain the borrower's membership and voting interest in the Association.

Section 7.10.24 - Dividends

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

Section 7.10.25 - Patronage Distributions

Ownership of Class B Common Stock will entitle holders to any patronage distributions declared by the Association's Board of Directors as provided in Section 8.40.

Section 7.10.26 - Transfer

Class B Common Stock may be transferred to other persons or entities eligible to hold it under Section 7.10.21. Such transferred stock may be used to satisfy purchase requirements under Section 7.10.22 only if the Association, PCA and FLCA meet minimum capital adequacy requirements as established by FCA or such higher amount as established by the Board.

Section 7.10.27 - Conversion

Class B Common Stock shall be converted to Class A Common Stock within two years after the holder ceases to be a borrower. Class B Common Stock may be converted to Class A Common Stock upon member's request. Conversion will be limited to only that amount of stock which is eligible for retirement as enumerated in Section 7.10.23.

Section 7.10.28 - Lien

The Association, FLCA and PCA, as applicable, shall have a first lien on all outstanding Class B Common Stock owned by a borrower as additional collateral for any indebtedness of the borrower to the Association, PCA and FLCA.

Section 7.10.3 - Class C Preferred Stock - Nonvoting

Section 7.10.31 - Holder

Class C Preferred Stock will be issued to any individual or legal entity.

Section 7.10.32 - Amount Issuance

A maximum of 10 million shares of Class C Preferred Stock are authorized to be issued and outstanding. Class C Preferred Stock will be purchased in minimum increments in accordance with policy established by the Board. Class C Preferred Stock may be issued for allocated surplus distributions, dividend payments, and patronage refunds.

Section 7.10.33 - Retirement

Class C Preferred Stock may be retired at the sole discretion of the association board on a monthly basis upon determination by the Association board that the Association, PCA and FLCA meet or exceed minimum capital adequacy requirements established by regulations of the FCA, or such higher capitalization objectives that have been established by the board, after retirement, taking into account the payment of all declared dividends and/or payment of allocated equities to holders.

Holders of Class C Preferred Stock must list their stock for retirement on the prescribed stock retirement form before the stock will be considered for retirement.

Stock retirements shall be made payable to the holder of record.

Class C Preferred Stock will be retired in minimum increments in accordance with policy established by the board.

The Association board of directors will determine the amounts of stock eligible for retirement each month. If only a partial amount of stock that has been listed for retirement is eligible for retirement, stock will be retired in the sequence that retirement requests were received.

The Association, at its option, may retire all Class C Preferred Stock against the outstanding indebtedness of a borrower, in the event of default by the borrower, provided the association meets or exceeds minimum capital adequacy requirements.

Class C Preferred Stock shall be retired at book value not to exceed par value.

Class C Preferred Stock shall be subordinate to Preferred Stock as to dividends and distributions upon liquidation, dissolution and winding up.

Section 7.10.34 - Dividends

Dividends shall be paid only at the discretion of the board of directors, provided the association will meet minimum capital adequacy standards established under Section 4.3 of the Act after such payment. Dividends shall be noncumulative and nonparticipating. Dividends, if declared by the board, will be determined on a per share basis, for the holder of record as established by the board. The date of record established by the board shall be prior to, but no after the day the dividend is declared. The minimum dividend payable on Class C preferred stock before a dividend is paid on common stock shall be \$.20 per share annually.

Section 7.10.35 - Patronage Distributions

Ownership of this stock will not entitle holders to any patronage distributions declared by the association board of directors.

Section 7.10.36 - Transfer

Class C Preferred Stock may be transferred to any person or legal entity.

Section 7.10.37 - Conversion

This stock may not be converted into any other class of stock or participation certificates.

Section 7.10.4 - Participation Certificates – Nonvoting

Section 7.10.41 - Holder

Participation certificates will be issued as a condition of borrowing from the Association, FLCA or PCA. Participation certificates may be issued to borrowers or applicants who are:

Rural residents, including persons eligible to hold Class B Common Stock under Section 7.10.21, which is necessary to capitalize rural housing loans.

Persons or organizations furnishing farm-related services.

Other persons or organizations who are eligible to borrow from or participate with the Association but who are not eligible to hold voting stock.

Participation certificates may be issued to any person who is not a shareholder but who is eligible to borrow from the Association for the purpose of qualifying such person for technical assistance, financially related services and leasing services offered by the Association, FLCA or PCA.

Participation certificates may be issued at the discretion of the Association's Board to persons who sell participation interests in loans or leases to the Association, FLCA or PCA.

Participation Certificates authorized under Section 7.10.41 (1) and (2) may be issued in unlimited amounts. Up to 10 million participation certificates may be issued under Section 7.10.41(3).

Section 7.10.42 - Issuance

Participation certificates are required to be purchased by every eligible borrower not eligible to hold voting stock as a condition for obtaining a loan and will be maintained in an amount determined by the Board in its sole discretion from time to time, which amount shall not exceed 5 percent of each loan balance and shall not be less than 2 percent of the holder's aggregate outstanding loan balances, or \$1,000, whichever is less. Outstanding participation certificates in excess of this requirement may be used to satisfy the stock purchase requirement for new disbursements or new loans to the holders. The number of certificates authorized to be issued and outstanding will be unlimited (except as provided in Section 7.10.41). Participation certificates must be purchased by every eligible holder not eligible to hold voting stock as a condition for obtaining a lease and will be maintained in an amount determined by the Board in its sole discretion from time to time, which amount shall not exceed 5 percent of the total outstanding amount of the lease and shall not be less than one unit. 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 made before 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.

Section 7.10.43 - Retirement

Except as provided in section 7.10.42, the amount of participation certificates that exceeds the amount required under Section 7.10.42 may be retired at the sole discretion of the Association's Board in accordance with the policy and procedure established by the Board, provided that the Association, PCA and FLCA will meet or exceed minimum capital adequacy requirements established by regulations of the FCA or such higher capitalization objectives that have been established by the Board after the retirement, taking into account the payment of all declared dividends or payment of allocated equities to holders.

Participation certificates shall be retired at book value not to exceed par value.

The Association, at its option, and upon proper notice to the borrower, may retire all or part of the participation certificates against the outstanding indebtedness of a borrower in the event of default by the borrower.

Section 7.10.44 - Dividends

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

Section 7.10.45 - Patronage Distributions

Ownership of participation certificates will entitle the holder to share in any patronage distributions declared by the Association's Board of Directors as provided in Section 8.40.

Section 7.10.46 - Transfer

Participation certificates may be transferred to other persons or entities eligible to hold them under Section 7.10.41. Transferred participation certificates may be used to satisfy the purchase

requirements under Section 7.10.42 only if the Association, PCA and FLCA meet minimum capital adequacy requirements as established by FCA and such higher amount as established by the Board.

Section 7.10.47 - Conversion

Participation certificates may be converted to Class A Common Stock upon member's request. Conversion will be limited to only that amount of participation certificates which is eligible for retirement as enumerated in Section 7.10.43.

Section 7.10.48 - Lien

The Association, FLCA and PCA, as applicable, shall have a first lien on all outstanding participation certificates owned by a borrower as additional collateral for any indebtedness of the borrower to the Association, PCA and FLCA.

Section 7.10.5 – Class P Common Stock – Nonvoting

Section 7.10.51 - Holder

This stock may be issued to borrowers eligible to hold Class B 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.

Section 7.10.52 - Amount; Issuance

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.

Class P Common Stock may be issued as provided in these bylaws only for allocated surplus distributions (Section 8.20), stock dividends (Section 8.30), and patronage distributions (Section 8.40).

Section 7.10.53 - Retirement

This stock may be retired at the sole discretion of the Board in accordance with the policy and procedure of the Association's Board provided the Association's Board determines that the Association, PCA and FLCA will meet or exceed minimum capital adequacy requirements established by regulations of the FCA or such higher capitalization objectives that have been established by the Board after the retirement, taking into account the payment of all declared dividends and/or payment of allocated equities to holders.

Section 7.10.54 - Dividends

This stock shall be eligible for any dividends declared by the Association's Board of Directors.

Section 7.10.55 - Patronage Distributions

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

Section 7.10.56 - Transfer

This stock may be transferred to any person or legal entity.

Section 7.10.57 - Conversion

This stock may not be converted.

Section 7.10.58 - Lien

The Association, FLCA and PCA, as applicable, shall have a first lien on all outstanding Class P Common Stock owned by a borrower as additional collateral for any indebtedness of the borrower to the Association, PCA and FLCA.

Section 7.10.6 – Reserved

Section 7.20 - Impairment

Section 7.20.10

Any losses which result in any impairment of the Association's capital stock shall be borne ratably, first by each share or unit of all classes of common stock and participation certificates, and then by each share of Class C Preferred Stock, and then by each share of Preferred Stock in accordance with the terms of the Preferred Stock.

Section 7.20.11

Impaired stock and participation certificates shall be restored in the reverse of the sequence in Section 7.20.10 until each share of stock and unit of participation certificates has a book value equal to the par or face value, respectively.

Section 7.25 - Redemption Restriction

No common stock, participation certificates or Class C Preferred Stock shall be retired or otherwise acquired for consideration by the Association unless previously accumulated and unpaid Preferred Stock dividends have been paid in full or, in the case of non-cumulative Preferred Stock, the full dividends for the immediately preceding dividend period have been paid in full, and the Association has redeemed the full number of outstanding shares for each outstanding series of term Preferred Stock required to be redeemed prior to that date.

Section 7.30 - 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, ratably to the holders of Preferred Stock, in proportion to the number of shares of such Preferred Stock then issued and outstanding and consistent with the terms of such Preferred Stock until an amount equal to the liquidation preference provided for in the terms of such Preferred Stock established pursuant to this Article VII of all such shares has been distributed to such holders (except that, if the shares of Preferred Stock of different classes have different priorities upon liquidation as contemplated by Section 740, distribution shall be first made to the more senior series in accordance with their ranking up to the amount equal to their respective liquidation preferences before distributions are made to the more subordinated series).

Second, to the holders pro-rata of Class C Preferred Stock then outstanding until an amount equal to the aggregate par value of such stock has been distributed to such holder;

Third, to the holders of common stock and participation certificates, pro rata in proportion to the number of shares of units of stock or 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;

Fourth, to the holders of allocated surplus evidenced by Qualified Written Notices of Allocation as defined in Section 8.40.61 of these bylaws pro rata, on the basis of the oldest allocations first, until the total amount of such allocated surplus has been distributed;

Fifth, to the holders of allocated surplus evidenced by Nonqualified Written Notices of Allocation as defined in Section 8.40.61 of these bylaws pro rata, on the basis of the oldest allocations first, until the total amount of such allocated surplus has been distributed;

Sixth, any remaining assets of the Association after such distribution shall be distributed to members, both past and present, in proportion to which the aggregate patronage of each such

member bears to the total patronage of all such parties insofar as practicable, unless otherwise provided by law.

Section 7.40. - Rights and Preferences of Preferred Stock

7.40.10. - Authorization

The Association is authorized to issue preferred stock ("Preferred Stock") with an aggregate par value of up to \$ 200 million from time to time in one or more series. The par value of each share of Preferred Stock may vary by series. Preferred Stock may be issued for consideration to holders of Association common stock, and to any person or entity that qualifies as a "qualified institutional buyer" (as such term is defined in Rule 144A under the Securities Act of 1933) or, an institutional "accredited investor" (as such term is defined in Rule 501(a)(1), (2), (3), (7), (8) or (9) under the Securities Act), or other such investor approved by the FCA at the time of issuance thereof. Preferred Stock shall not be issued as patronage distributions. Each series of Preferred Stock shall be subject to any transfer restrictions regarding minimum purchase amount and types of sophisticated purchasers imposed by the FCA at the time of issuance thereof. Preferred Stock may not be converted into any class of stock other than another series of Preferred Stock. Preferred Stock may be in certificate or book-entry form at the Board's option. In either case, ownership shall be confirmed and transfers registered by the Association or by a registrar or a transfer agent retained by the Association.

7.40.20. - Rights of Series

Preferred Stock may be issued from time to time by resolution of the Board in one or more series, each series being so designated as to distinguish the shares thereof from the shares of all other series and classes. Subject to the limitations set forth in these Bylaws, all or any of the series of Preferred Stock and the relative rights and preferences between series may be fixed and determined by the Board in a certificate of designations adopted by the Board. The rights and preferences of each series of Preferred Stock, when established as set forth herein, shall be deemed to be part of this Article VII.

7.40.30. Dividends

Preferred Stock shall bear either cumulative or non-cumulative dividends, fixed rate or floating rate or a combination thereof, payable in arrears, when, as and if declared by the Board out of legally available funds. Preferred Stock shall be entitled to a preference both as to dividends (and other distributions including patronage distributions) and upon liquidation, dissolution and winding up over all of the Association's common stock, participation certificates, Class C Preferred Stock and allocated surplus (collectively, "Junior Stock").

7.40.40. Redemption

Preferred Stock is redeemable as specified in the terms of the particular class or series of Preferred Stock. The terms of a series or class of Preferred Stock may allow redemptions of the shares of such class or series, in part or whole: (a) upon a specified maturity date; (b) at the option of the Association, on or after the expiration of a specified “no-call” feature (or at any time if there is no such feature); or (c) at the discretion of the Association, on or after a “Regulatory Event” as specified in the terms of the Preferred Stock, or any combination of the foregoing. Any redemption at the option of the Association shall be at the sole discretion of the Board and subject to any required approval of the FCA or any other governmental or regulatory body applicable to the Association. Each redemption of Preferred Stock shall be at par value, not to exceed book value, plus accrued and unpaid dividends to the redemption date for cumulative Preferred Stock, and at par value, not to exceed book value, plus (to the extent provided in the terms of the Preferred Stock) declared and unpaid dividends for prior dividend periods and accrued and unpaid dividends (whether or not declared) for the then current dividend period to the redemption date for non-cumulative Preferred Stock. Any redemption of Preferred Stock is subject to Regulations and shall not occur unless the Association is in compliance with the minimum capital adequacy standards in the Regulations (including subpart H of part 615 and part 628). Redemption of Preferred Stock may require prior approval by the FCA.

7.40.50. Restriction on Distributions

No Junior Stock shall be retired or otherwise acquired for consideration by the Association unless previously accumulated and unpaid Preferred Stock dividends have been paid in full or, in the case of non-cumulative Preferred Stock, the full dividends for the immediately preceding dividend period have been paid in full, and the Association has redeemed the full number of outstanding shares for each outstanding series of term Preferred Stock required to be redeemed prior to that date.

ARTICLE VIII - EARNINGS, SURPLUS, DIVIDENDS,

PATRONAGE DISTRIBUTIONS

Section 8.01 - Application of Earnings or Losses

Section 8.01.1

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 loan valuation reserves, 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 7.20 of the bylaws;
3. To restore the amount of any impairment of allocated surplus, in the reverse order of such impairment;
4. To create and maintain an unallocated surplus account as provided in Section 8.10 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 8.40 of these bylaws.

Section 8.01.2

In the event of a net loss for any fiscal year, after applying earnings for such fiscal year as provided in Section 8.01.1 above, such loss shall be absorbed by: first, charges to the unallocated surplus account; second, impairment of the allocated surplus account to the extent evidenced by “Nonqualified Written Notices of Allocations”, in the reverse order of issuance, third, impairment of the allocated surplus account to the extent evidenced by “Qualified Written Notices of Allocation,” in the reverse order of issuance; and fourth, impairment of capital stock as provided in Section 7.20.10.

Section 8.10 - 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, provided such amount equals or exceeds

the minimum aggregate amount prescribed by FCA. At the end of any fiscal year that the surplus accounts otherwise would be less than the minimum amount prescribed by the Board, the Association shall apply earnings for the year to the unallocated surplus account in such amount as the Association's Board may determine.

Section 8.20 - Allocated Surplus Account

Section 8.20.1

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 8.40 of these bylaws. Allocated surplus may be issued as either "qualified written notices of allocation" or "non-qualified written notices of allocation," or both, as those terms are defined under Internal Revenue Code ("Code") Section 1388:

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.

All allocations in the form of non-qualified written 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 account shall be subject to impairment in the reverse order of issuance as specified in Section 8.01.2.

Section 8.20.2

The Association, PCA and FLCA, as applicable, shall have a first lien on all surplus account allocations owned by any borrower and all distributions thereof as additional collateral for his indebtedness to the Association, PCA and FLCA.

Section 8.20.3

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.

Section 8.20.4

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 may also be retired at the sole discretion of the Board only in accordance with Sections 8.20.5 and 8.50 of these bylaws.

Section 8.20.5

Allocated surplus may be distributed, oldest allocations first or otherwise as approved by the Association's Board, in Class C Preferred Stock or Class P Common Stock of the Association and/or in cash. The cash proceeds may be applied against the indebtedness of the borrower to the Association. In no event shall such distributions reduce the surplus account below the minimum amount prescribed by the Association's Board or reduce capital adequacy ratios after the payment below the minimum established by regulations of the FCA or such higher capitalization objectives that have been established by the Board. Distributions of less than the full amount of "qualified allocations" issued as of the same date shall be on a pro rata basis. Distributions of less than the full amount of "nonqualified allocations" issued as of the same date shall be on a pro rata basis. Any part of a distribution in Class C Preferred Stock or Class P Common 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 C Preferred Stock or Class P Common Stock.

No allocated surplus shall be retired or otherwise acquired for consideration by the Association unless previously accumulated and unpaid Preferred Stock dividends have been paid in full or, in the case of non-cumulative Preferred Stock, the full dividends for the immediately preceding dividend period have been paid in full, and the Association has redeemed the full number of outstanding shares for each outstanding series of term Preferred Stock required to be redeemed prior to that date.

Section 8.30 - Dividends

Section 8.30.1

When approved by the board of directors in accordance with Regulations, dividends may be paid on the capital stock and participation certificates of the Association, as the board of

directors may determine by resolution, but not in excess of an annual rate of eight percent of par value. Such dividends may be paid on Class C Preferred Stock alone, or on all classes of stock and participation certificates. The rate of dividend paid on Class C Preferred Stock for any fiscal year may not be less than the rate of dividend paid on all other common stock or participation certificates for such year and, similarly, the rate of dividends on Class B Common Stock may not be less than the rate paid on participation certificates. No dividends on common stock and participation certificates shall be paid in any year with respect to which the Association has passed a resolution authorizing the distribution of patronage under Section 8.40.

No dividends on common stock or participation certificates will be declared, paid or set aside for payment unless previously accumulated and unpaid Preferred Stock dividends have been paid in full or, in the case of non-cumulative Preferred Stock, the full dividends for the immediately preceding dividend period have been declared and paid in full, and the Association has redeemed the full number of outstanding shares for each outstanding series of term Preferred Stock required to be redeemed prior to that date.

Section 8.30.2

Dividends on capital stock and participation certificates may be paid in cash, Class C Preferred Stock, Class P Common 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 C Preferred Stock or Class P Common Stock.

Section 8.30.3

Dividends on Preferred Stock shall be as set forth in Section 7.40.

Section 8.40 - Patronage Distributions

Section 8.40.1

Subject to the provisions of the Act and Regulations, prior to the beginning of any fiscal year, the Association's Board may, by adoption of a resolution, obligate the Association to distribute as patronage dividends to members, on the basis of quantity or value of business done with the Association, PCA and FLCA, all or any portion of the available consolidated net earnings of the Association, PCA and FLCA for such fiscal year or for that and subsequent fiscal years. For this purpose, the available consolidated net earnings shall be defined as the net income of the Association, FLCA and PCA attributable to business done with or for Members. In adopting said resolution the Association's Board may adopt a de minimis earnings exception which limits

the patronage distribution if certain net earnings requirements are not met for such fiscal year or for that and subsequent fiscal years. Such resolution shall constitute a binding, irrevocable, legal obligation to distribute patronage in accordance with the provisions hereof.

Notwithstanding the foregoing and in accordance with the provisions hereof, the Association shall be obligated to distribute as patronage dividends to members the available consolidated net earnings of the Association, FLCA and PCA for the fiscal year beginning the effective date of these bylaws.

Any dividend that is declared by the Board on Preferred Stock or other capital stock and distributed by the Association shall not reduce Patronage-Sourced Net Earnings for the year of the distribution. Such dividends are in addition to amounts otherwise payable to Members which are derived from business done with or for Members during the fiscal year.

Section 8.40.2

All patronage distributions shall be in the proportion that the amount of interest and other income earned by the Association, PCA and FLCA on their loans and other transactions with each member bears to the total interest and other income earned by the Association on all such loans and transactions during the fiscal year, except that another proportionate patronage basis may be used as determined by the Association's Board. A member who pays interest or otherwise contributes to the Association's consolidated net income, 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 member continues to be a shareholder or borrower of the Association, FLCA or PCA on the date the declaration of the patronage distribution is made. The Association's Board may establish earnings pools for the payment of patronage provided such earnings pools are established in a rational and equitable basis that will ensure that each patron of the Association, PCA and FLCA receives its fair share of the Association's consolidated earnings and bears its fair share of the expenses. The Board retains discretion not to pay patronage with respect to one or more such pools provided all members are treated fairly and equitably.

Section 8.40.3

Net earnings of any fiscal year shall be available for patronage distribution after first making the applications as required in Section 801.1, including (i) the setting aside of a portion of the net earnings in the unallocated surplus account, as deemed prudent for sound capital accumulation; and (ii) 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 transactions with or for members

and any non-patronage-sourced net earnings not so applied shall be set aside in the unallocated surplus account.

Section 8.40.4

Patronage distributions may be in either qualified or nonqualified form and may be in cash, Class C Preferred Stock or Class P Common Stock of the Association, allocations of earnings retained in an allocated surplus account or any one or more of such forms of distributions, except that, with respect to qualified patronage distributions, at least the minimum amount required to qualify the refund as a deductible patronage distribution for federal income tax purposes to any borrower for any fiscal year shall always be in cash. Cash distributions may not exceed the minimum amount required to qualify the refund as a deductible patronage distribution for federal income tax purposes if the capital of the Association, PCA and FLCA through the payment of patronage would, after such action, fail to meet the minimum capital adequacy requirements established by regulations of the FCA or such higher capitalization objectives that have been established by the Board. Any part of a patronage distribution in Class C Preferred Stock or Class P Common Stock to one borrower that is not a multiple of \$5.00 may be distributed in cash or held by the Association for the member and included in a subsequent distribution.

Section 8.40.5

Any part of the patronage distributions to a member, except the minimum amount required to be paid in cash to qualify the distribution as a deductible patronage distribution for federal income tax purposes, may at the discretion of the Association, be applied on the member's indebtedness to the Association, FLCA or PCA.

Section 8.40.51

When the debt of a borrower is in default and has been placed in nonaccrual status, the member shall not be entitled to receive, and the Association shall not be obligated to distribute, patronage distribution to such member while such debt is placed in nonaccrual status, unless the borrower contributed income to the Association on a cash basis, notwithstanding the nonaccrual status of the debt.

Section 8.40.6

Each person who hereafter applies for and is accepted to membership in this Association and each member of this Association on the effective date of this bylaw who continues as a member

after such date, and each person who thereafter applies for and is issued stock or participation certificates of this Association shall, by such act alone, consent that the amount of any distributions with respect to the member's patronage occurring after the date these bylaws were adopted, which are made in or evidenced by "Qualified Written Notices of Allocation", including patronage allocations of surplus account and patronage refunds paid in Class C Preferred Stock or Class P Common Stock of the Association, and which are received by the member from the Association, will be taken into account (as income) by the member at their stated dollar amounts in the manner provided in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation are received by the member. Such members also consent by such act alone, to take into account (as income) in the same manner, the amount of any distributions with respect to patronage if the member receives written notice that such amount has been applied on the member's indebtedness to the Association, FLCA or PCA. The terms "member" and "membership" as used in this bylaw shall have the meaning set forth in Article I of these bylaws.

Section 8.40.61

The Association may obtain the written consent of each member that the amount of any distributions with respect to the member's patronage, which are made in or evidenced by "Qualified Written Notices of Allocation" (as defined in 26 U.S.C. 1388), including patronage allocations of surplus account, patronage refunds paid in stock or distributions with respect to patronage that has been applied to the member's indebtedness to the Association, FLCA or PCA and for which the member has received written notice, will be taken into account (as income) by the member at their stated dollar amounts in the manner provided for in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation are received by the member. The form of consent shall be prescribed by the Association's Board, except that it shall be continuing in effect until revoked by the member, and 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 26 U.S.C. 1388.

Section 8.40.62

Any written notice of allocation made with the member's consent pursuant to the above sections shall be a "Qualified Written Notice of Allocation," and any patronage distribution made in accordance with such written notice shall be a "Qualified" patronage distribution. Any written notice that is not made with the member's consent pursuant to this section shall be a "Nonqualified Written Notice of Allocation," and any patronage distribution made pursuant to such a nonqualified notice shall be a "nonqualified" patronage distribution.

Section 8.40.7

Where the Association arranges for the provision of credit and/or related services to its members through FLCA and/or PCA, and such members avail themselves of the arrangements made and maintained by the Association by borrowing or acquiring related services from FLCA and/or PCA, 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 members and all business done with FLCA and PCA shall be treated as business done with the Association.

Section 8.40.8

No patronage distributions or redemption of allocated surplus will be declared, paid or set aside for payment unless previously accumulated and unpaid Preferred Stock dividends have been paid in full or, in the case of non-cumulative Preferred Stock, the full dividends for the immediately preceding dividend period have been declared and paid in full, and the Association has redeemed the full number of outstanding shares for each outstanding series of term Preferred Stock that are required to be redeemed prior to that date.

Section 8.50 - Retirement of Patronage Accounts

If at any time, the Board of Directors shall determine that the financial condition of the Association, PCA and FLCA will not be impaired thereby, the patronage allocated to members' accounts may be retired in full or part. The Board, in its sole discretion, shall have the power to retire the patronage allocated to any member in such events as death or bankruptcy, or to settle a dispute, on such terms and conditions as may be deemed appropriate by the Board, or in any instance in which the interests of the Association and its shareholders are deemed to be furthered thereby, and funds are determined by the Board to be available for such purpose. Any allocated patronage retired under this section may, at the Board's discretion, be retired at present value based upon the current revolvment cycle, if any. There is no express or implied right granted to a member to have allocated patronage retired upon request.

Section 8.60 - Amendment to Capitalization Bylaws

Amendments to the capitalization bylaws in Articles VII and VIII (including provisions permitting cumulative voting, if any), and the capitalization bylaws of FLCA and PCA, other than technical amendments not affecting substantive rights, shall not be effective without the approval of a majority of the Association's shareholders voting, in person or by proxy, at a duly authorized shareholders' meeting. Any amendment authorizing the issuance of preferred stock must be authorized by a majority of the shares voting of each class of equities adversely affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

CERTIFICATION

I, the undersigned corporate secretary of Texas Farm Credit Services, an Agricultural Credit Association, hereby certify that at a meeting duly held on the 23 day of January 2026, the Board of Directors of said association adopted the foregoing Bylaws.



Corporate Secretary

Date: January 23, 2026