

**BY-LAWS OF
KANSAS AGRIBUSINESS RETAILERS ASSOCIATION, INC.**

ARTICLE I

Name and Location

SECTION 1. The name of the corporation is Kansas Agribusiness Retailers Association, Inc.

SECTION 2. The registered office of the corporation in the State of Kansas is 816 SW Tyler, Topeka, Shawnee County, Kansas 66612.

SECTION 3. Other offices for the transaction of business of the corporation may be located at such places in the State of Kansas or elsewhere as the Board of Directors may from time to time determine.

ARTICLE II

Members and Voting Rights

SECTION 1. The membership of the corporation shall consist of the following classes:

a) Voting Members.

- 1) **Retail Dealers:** Members shall be a company or individual owned or a manufacturer's retail outlet engaged in the retail sale of fertilizer and/or agricultural chemicals, petroleum, propane, seed and other crop inputs in the state of Kansas and doing business from one post office as a single business entity. A company or individual, but not a manufacturer's retail outlet, may register additional locations as branch locations.
 - 2) **Manufacturer/Distributor:** Basic producers of fertilizers and agricultural chemicals, petroleum, propane, seed and other crop inputs, suppliers, wholesalers, brokers, equipment manufacturers, and purveyors of goods and services. One person shall be designated as the "Official Delegate" to represent the member company in all of the Association's business. Other company personnel may become voting members in good standing by assuming salesmen membership in the Association.
 - 3) **Salesman:** Members shall be sales people representing companies engaged in the sale of fertilizers, and/or agricultural chemicals, equipment, petroleum, propane, seed and other crop inputs, in the state of Kansas on a jobber or wholesaler basis. Such membership shall be on an individual basis.
 - 4) **Associated Services:** Members shall be persons or companies engaged in providing goods or services associated with, or assisting in the distribution of, fertilizers and/or agricultural chemicals, limestone, petroleum, propane, seed and other crop inputs and related equipment such as, but not limited to, advertising firms, transportation companies, testing laboratories, consultants, farm suppliers, etc.
- * Voting members shall have one vote, which will be cast by a designated representative of each firm.

B) Non-Voting Members

- 1) **Educational/Government Personnel:** Persons in this category shall be considered those to be directly involved in educational process, in classroom instruction, extension or research and shall include government personnel at the federal, state, county and municipal levels. They shall have all the privileges of membership except the right to vote.
- 2) **Honorary Members:** An honorary member may be a person who, in the opinion of the Board of Directors, is deemed qualified, and who has made a worthwhile contribution to the aims and purposes of this Association and the industry. Honorary members shall have all the privileges of membership except the right to vote.
- 3) **Other Members:** Any person, firm or corporation may become a member of such other class of membership of the corporation as may from time to time be designated by the Board of Directors upon being elected to such class of membership by a resolution adopted by the majority of these Directors present at any meeting of those Board of Directors at which a quorum is present, and upon payment of all membership fees, if any, and all annual dues, if any, with respect to such class of membership as established from time to time by the Board of Directors.

Proposed members shall submit a written and signed application for the applicable membership in the corporation to the Board of Directors of the corporation by filing such application with the President. Applications for membership in the corporation shall be in such form as is satisfactory to the Board of Directors. Such applications shall be considered by the Board of Directors of the corporation and such membership applicants whose applications are approved and who are elected to membership by a majority vote of the members of the Board of Directors of the corporation shall become members of the corporation upon such approval and election and upon payment of any applicable membership fee and annual dues. Such referral and such vote so taken may be by mail. When one or more negative votes are cast on any such application, the President shall withhold certification of membership until the members of the Board have been given opportunity to consider any statement offered concerning such negative vote and to reconsider their vote upon such application.

SECTION 2. Except as may be from time to time otherwise provided by law, by the Articles of Incorporation of the corporation or by these By-Laws, each Voting Member in good standing shall be entitled to one vote on each matter submitted to a vote of the members. For purposes herein, references to "voting members" or "members entitled to vote" shall mean Voting Members in good standing of the corporation who have paid any and all applicable membership fees and annual dues. No member other than a Voting Member of the corporation shall be entitled to vote on any matter pertaining to the corporation.

SECTION 3. The Board of Directors, by affirmative vote of two-thirds (2/3rds) of the members of the Board may suspend or expel a member of any class for cause, providing notice of such proposed action shall have been duly given in the notice of the meeting and provided the member has been informed in writing of the charges preferred against such member at least ten (10) days before such meeting. The member shall be given an opportunity to be heard at such meeting. The members of the Board, by a majority vote of those present at any regularly constituted meeting, may terminate the membership of any member of any class who becomes ineligible for

membership and may suspend or expel any member of any class who shall be in default with respect to any financial obligation to the corporation.

SECTION 4. A member may resign by filing a written resignation with the President, but such resignation shall not relieve the member so resigning of the obligation to pay any fees, dues, assessments, obligations or other charges theretofore accrued and unpaid.

SECTION 5. On written request signed by a former member and filed with the President, the Board of Directors, by the affirmative vote of two-thirds (2/3rds) of the members of the Board, may reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

SECTION 6. Members of the corporation shall not be liable for any debts or obligations of the corporation and shall not be subject to any assessment related thereto; provided, however, the Board of Directors at any annual meeting or at any special meeting called for the purpose, may fix membership fees and/or annual dues to become effective after not less than thirty (30) days' notice to all members of such action.

ARTICLE III

Meetings of Members

SECTION 1. An annual meeting of the members shall be held at such place as may be designated by the Chairman of the Board or the Board of Directors, or if not so designated, at the registered office of the corporation in the State of Kansas, no later than January 31 of the current fiscal year. The annual meeting of the members shall be held for the election of Directors and any other business, which may properly come before the annual meeting.

SECTION 2. Special meetings of the members may be called by the Chairman of the Board, the Board of Directors, or not less than twenty percent (20%) of the Voting Members at such place as may be designated by the Chairman of the Board or the Board of Directors, or if not so designated, at the registered office of the corporation in the State of Kansas. It shall be the duty of the Chairman of the Board or the Board of Directors to call such a meeting whenever requested by twenty percent (20%) or more of the Voting Members.

SECTION 3. Whenever the members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to all Voting Members in good standing which shall state the place, date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called. The written notice of any meeting shall be given not less than the (10) nor more than fifty (50) days before the date of the meeting to each Voting Member. If such notice is mailed, such notice shall be deemed to have been given when deposited in the United States Mail, postage prepaid, directed to the Voting Member at his/her address as it appears on the records of this corporation. Whenever notice is required to be given hereunder, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any annual or special meeting of the members need be specified in any written waiver of notice. Although any member of the corporation may attend and participate in a meeting

of the members, no members of the corporation other than Voting Members are entitled to notice of such meeting.

SECTION 4. Except as may be from time to time otherwise provided by law, by the Articles of Incorporation of the corporation or by these By-Laws, at each meeting of the members, each Voting Member in good standing shall be entitled to one vote, and may cast such vote either in person or by proxy. Each Voting Member entitled to vote at a meeting of the members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy but no such proxy shall be voted or acted upon after eleven (11) months from its date unless the proxy provides for a longer period. All proxies shall be in writing, filed with the President of the meeting, either before or after the time of such meeting, and by him/her entered or recorded in the minutes of such meeting.

SECTION 5. The nominating committee shall submit to the Voting Members assembled at the annual meeting a printed ballot listing the nominee or nominees for the office of Director. All elections of members of the Board of Directors shall be by written ballot if requested by any Voting Member, but no written ballot shall be required unless the number of persons nominated as members of the Board of Directors exceeds the number of persons to be elected as members of the Board of Directors. At all elections of Directors, each Voting Member in good standing shall be entitled to as many votes as shall equal the number of Directors to be elected. Newly elected members shall be presented to the membership at the annual meeting.

SECTION 6. Except as may be from time to time otherwise provided by law, by the Articles of Incorporation of the corporation or by these By-Laws, the lesser of five percent (5%) or thirty (30) in number of the Voting Members entitled to vote at any meeting shall constitute a quorum at such meetings of the members for the transaction of any business, and the act of the majority of a quorum present at any meeting shall constitute the act of the members of the corporation for all purposes, except as may be otherwise specifically provided by law. A lesser number than a quorum may adjourn a meeting from time to time until a quorum is secured. Whenever such meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At any adjourned meeting, the members may transact any business, which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Voting member of the corporation entitled to vote at the adjourned meeting.

SECTION 7. The Voting Members of the corporation shall have the power, by two-thirds vote, at a meeting called for that purpose, to remove any Director or officer from office.

SECTION 8. At each annual member's meeting, the Directors shall submit a statement of the business done during the preceding year, together with a report of the general financial condition of the corporation and of the condition of its tangible property.

ARTICLE IV

Directors

SECTION 1. The first Board of Directors of this corporation shall consist of twenty-four persons who shall be elected by vote of the incorporators of this corporation at the first meeting of the

incorporators. The first Board of Directors shall serve until the first annual meeting of the members of the corporation and until their successors are duly elected and qualified. The second Board of Directors of this corporation shall consist of twenty-four persons who shall be elected by the membership at the first annual meeting of the members of this corporation. Of the twenty-four Directors so elected by the membership, one third shall be elected for a term of three years, one-third for a term of two years, and one-third for a term of one year. Each subsequent Board of Directors shall be elected for a term of three years and consist of not less than eighteen nor more than twenty four persons, each of whom shall be a Voting Member or an officer, partner or manager of a firm which is a Voting Member, as fixed by the members from time to time by majority vote at any regular or special meeting. The division of the make-up of the Board of Directors shall be as follows (but not limited to) twelve members representing agribusiness retailers, two of each from the six districts in the state; eight Directors shall be elected from the manufacturer and distributor membership classification, two Directors shall be elected from the associated services membership category and two Directors shall be elected at large, for a total of twenty four Directors. *(A Director may be elected by the members to only three (3) consecutive terms, but may be eligible for election to the board after one (1) year following his last term of elected service.)*

SECTION 2. No Director shall receive compensation for any service he/she may render to the corporation as a Director.

SECTION 3. The annual meeting of the Directors shall be held in conjunction with the annual meeting of the members, and no notice of such meeting shall be necessary in order to legally constitute the meeting provided that a majority of the Directors shall be present.

SECTION 4. A special meeting of the Board of Directors may be called at any time or place, within or without the State of Kansas, by the Chairman, or in his/her absence or inability to act, the same may be called by the Vice Chairman or any two (2) members of the Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

SECTION 5. Notice of all regular and special meetings shall be mailed to each Director at least ten days prior to the time fixed for such meeting. All notices of special meetings shall state the purpose thereof and the place where the meeting is to be held. Whenever notice is required to be given hereunder a written waiver thereof signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting except when their Director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any meeting of the Board of Directors need be specified in any written waiver of notice of such meeting.

SECTION 6. A quorum for the transaction of business at any meeting of the Directors shall consist of two-thirds (2/3rds) of the members of the Board, but the Directors present, although less than a quorum, shall have the power to adjourn the meeting from day to day, or to some future date. No business may be transacted at a meeting unless a quorum is present.

SECTION 7. A majority vote of the Directors present at any special or annual meeting duly called and held, at which a quorum is present, shall constitute the action of the entire Board except with

respect to matters concerning which the affirmative vote of a larger number of Directors is especially required by these By-Laws or by law.

SECTION 8. The Directors shall elect or appoint the officers of the corporation. Such election or appointment shall be made at the Directors' meeting following each annual meeting of the members and from time to time thereafter. Any officer may be removed at any time by majority vote of the full Board of Directors.

SECTION 9. Vacancies on the Board of Directors and newly created directorships resulting from any increase in the authorized number of Directors may be filled by a majority vote of the directors.

SECTION 10. When one or more Directors shall resign from the Board effective as of a future date, a majority of the Directors then in office including those who have so resigned shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

SECTION 11. The Board of Directors of the corporation shall have supervision, control and direction of the property, business, affairs and activities of the corporation; shall determine its policies or changes therein within the limits permitted by the laws of Kansas, of the corporation's Articles of Incorporation, as from time to time amended, and of these By-Laws; shall actively prosecute its corporate powers and objects, and shall have absolute discretion in the disbursement of its funds and the disposition of its properties, and shall do all such lawful acts and things as are not by statute, by the Articles of Incorporation, or by these By-Laws prohibited or directed or required to be done by the members only; provided, however, the Directors shall not authorize or permit the corporation to engage in any activities not permitted to be transacted by a not-for-profit corporation under the laws of Kansas and all income and property shall be applied exclusively to the not-for-profit purposes of the corporation. The Board of Directors may adopt such rules and regulations for the control or conduct of the property, business, affairs, and activities of the corporation as shall be deemed advisable. The Board of Directors or any officer duly authorized by it shall employ such necessary personnel, as they shall see fit to conduct the affairs of the corporation, and appoint and fix the compensation to be paid such employees and agents, including legal counsel. Through a designated officer of the corporation, the Board of Directors shall present to each annual meeting of the memberships statement of activities during the preceding year together with a report of the general financial condition of the corporation. At no time shall the Board of Directors incur indebtedness in excess of funds actually on hand and unappropriated for other purposes, except upon approval of three-fourths (3/4ths) of the Voting Members of the corporation.

SECTION 12. The Board of Directors of the corporation may by resolution or resolutions passed by a majority of the whole Board, create and designate one or more committees, each committee to include at least one of the Directors of the corporation and to the extent provided in said resolution or resolutions, said committees shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation and shall have the power to authorize the execution of contracts and other documents and instruments on behalf of the corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its proceeding and report the same to the Board of Directors as and when requested.

SECTION 13. The following advisors may meet with the Board of Directors:

1. Advisor representatives of Kansas State University to be approved by the Dean of the College of Agriculture and appointed by the Chairman of the Board of the corporation.
2. At large members as advisor representatives to be appointed by the Chairman of the Board of the corporation.

All advisors shall be appointed for a one-year period and may be reappointed for any number of consecutive terms.

ARTICLE V

Officers

SECTION 1. The elected officers of the corporation shall be a Chairman, Vice Chairman and President and such other officers, as the Board of Directors may from time to time deem advisable. Chairman and Vice Chairman shall be elected by the Board of Directors until his/her successor is elected and qualified or until his/her earlier resignation or removal. No one shall be eligible to the office of Chairman or Vice Chairman who is not a Director of the corporation, and any such officer who ceases to be a Director shall cease to hold office as soon as his/her successor is elected and qualified. The President shall be appointed by the Board of Directors at the Annual Meeting and need not be a Director of the corporation. The Board of Directors at their first meeting shall choose its first elected officers to serve until the first annual meeting of the Board of Directors. Thereafter, the Board of Directors at each annual meeting shall choose its elected officers to serve for the ensuing year.

SECTION 2. The Chairman shall preside at all Directors' and members' meetings, and shall perform such other duties as are incident to this office. He/she shall be an ex officio member of all standing or temporary committees unless he/she shall designate the Vice Chairman to sit in on such committees in his/her place and stead. He/she shall execute all contracts and other instruments in writing binding the corporation, and subject to the direction of the Directors he/she shall exercise such authority and perform such duties as the Directors may from time to time assign him/her. In case of the absence or disability of the Chairman, his/her duties shall be performed by a Vice Chairman, if a Vice Chairman has been elected.

SECTION 3. A Vice Chairman, if elected, shall have the right and power to perform all duties and exercise all authority of the Chairman, in the absence of the Chairman, and shall have all power and authority usually enjoyed by a person holding the office of Vice Chairman.

SECTION 4. The President shall be the chief operating officer of the corporation, and shall supervise the carrying out of the policies and orders of the Board of Directors and membership of this corporation. He/she shall be authorized to from time to time, and within the budget of the corporation, employ such persons as he/she may deem necessary for the proper conduct of the affairs of this corporation, and determine the compensation to be paid therefore; and he/she shall do all and every such other things and acts pertaining to the office of President as may be directed by the Board of Directors, and shall make such reports recommendations, and suggestions to the Board of Directors as in his/her judgment will be in the best interests of this corporation.

SECTION 5. The Board of Directors by majority vote of those present may from time to time delegate some or all of the functions, duties, powers and responsibilities of any officer to any other officer or to any other agent or employee of the corporation, or other responsible person, provided that in the event of such delegation the officer from whom such responsibility has been transferred, shall be thereafter relieved of all responsibility for the proper performance of such function or duty or the proper exercise of such power or responsibility.

SECTION 6. The President shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for money due and payable to the corporation and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as may be approved by the Board of Directors, record and preserve the minutes of the meetings of the membership and Board of Directors; give all notices required to be given to members and Directors under the provisions of these By-Laws or as required by law; be custodian of the corporate seal and of the records of this corporation and affix the seal to all authorized documents requiring same, maintain a register of the post office address of each member and Director; prepare and present such financial reports as may be required by the Board of Directors or the membership; and in addition to perform all duties incident to the office of the President and all such other duties as may from time to time be assigned to him/her by the president or Board of Directors.

SECTION 7. No salaries and compensation shall be paid by the corporation to any officer thereof, except that if the corporation shall hire or retain an President, the corporation may compensate such officers for his or her work and services performed for the corporation, or pay such management fee as may from time to time be authorized by the Board of Directors for such work and services. Salaries, compensation or management fees payable to such officers, if any, and any other employees of the corporation, if any, shall be fixed by the Board of Directors, unless otherwise provided for herein, and unless otherwise provided for by law; provided, however, that the power to fix such salary, compensation or management fee may be delegated by the Board of Directors to the Chairman or to a Committee.

ARTICLE VI

Bonds - Officers and Employees

SECTION 1. No officer of the corporation shall be liable to any Director, member or non-member of the corporation for any action taken or refused to be taken by him/her as Director or officer in respect to any matter within the scope of his/her official duties, except such actions or neglect or failure to act as shall constitute gross misconduct in the performance of his/her duties as Director or officer. Each Director or officer of the corporation shall be indemnified by the corporation against all costs and expenses (including counsel fees) actually and necessarily incurred by or imposed upon him/her in connection with the defense of any action suit or proceeding to which he/she shall be made a party by reason of his/her being or having been an officer of the Corporation (whether or not he/she continues to be a Director or officer at the time of incurring such costs or expenses), except in relation to any matter as to which he/she shall be adjudged in such action, suit or proceeding without such judgment being reversed, to have been liable for gross misconduct in the performance of his/her duties as such Director or officer. In the event of settlement of any such action, suit or proceedings, prior to final judgment, the corporation shall also make reimbursement or payment of the costs, expenses and amounts paid or to be paid in settling any such action, suit or proceeding, when said settlement appears to be in the best interest of the corporation in the opinion of a majority of the Directors who are not involved, or if all

are involved, in the opinion of counsel for the corporation. The corporation may purchase liability insurance for the indemnification of Directors and officers concerning liability as herein set out. Notwithstanding the foregoing, the indemnification set forth above shall be limited to and shall not exceed indemnifications as allowed under the Kansas General Corporation Code.

SECTION 2. Any officer or employee of the corporation, when required by the Board of Directors, shall give a bond or bonds, in such sum or sums and with such sureties as the Board of Directors may specify, conditioned upon the faithful performance of his/her duties and indemnifying the corporation from any loss or damage by reason of any dishonest or fraudulent acts.

ARTICLE VII

Finance

SECTION 1. The funds of the corporation shall be deposited in such banks or trust companies as the Directors shall designate and shall be withdrawn only upon checks, drafts or orders signed in the name of the corporation, by such officer or officers or such other person or persons as the Board of Directors may authorize from time to time.

ARTICLE VIII

Books and Records

SECTION 1. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and shall keep at the principal office of the corporation a record giving the names and addresses of the members. Any member, or his/her agent or attorney may inspect all books and records of the corporation for any proper purpose and at any reasonable time.

ARTICLE IX

Memberships

SECTION 1. This corporation shall not issue membership certificates and the President of the corporation shall maintain a record giving the names and addresses of the members of this corporation, to be known as the membership roll, a copy of which shall be maintained at the principal office of the corporation and a copy of which shall be kept in the minute book of the corporation.

SECTION 2. Memberships in this corporation are not transferable or assignable.

ARTICLE X

Fees, Dues, Assessments and Contributions

SECTION 1. Dues, assessments, contributions and admission fees, if any, for members of this corporation may be established, revoked or changed by the Board of Directors. The Board of Directors may provide that annual membership dues or assessments, if any, may be prorated with respect to the first year of membership in this corporation.

SECTION 2. Any member of this corporation who shall be delinquent in payment of dues, fees, contributions or assessments for a period of sixty (60) days from the time they become due shall be notified of such delinquency and suspended from further participation. If payment of the same is not made within the next succeeding thirty (30) days, the delinquent member shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership, unless such suspension, at the request of the member, is waived by the affirmative vote of a majority of the members of the Board of Directors.

SECTION 3. No dues, fees, contributions or assessments shall be refunded to any member whose membership terminates for any reason whatsoever.

SECTION 4. Contributions of members or other interested parties may be accepted with the approval of the Board of Directors.

ARTICLE XI

Amendments

SECTION 1. The By-Laws for the government of the conduct of the business and affairs of the corporation may be adopted, amended, altered or repealed by the Board of Directors.