

GENERAL DESCRIPTION OF THE COOPERATIVE

The Cooperative was incorporated on May 25, 2005, as a nonprofit cooperative association under Chapter 274 RSMo. The Cooperative is governed by a Board of Directors (the "Board") currently consisting of twelve persons. The Cooperative is organized without capital stock on a membership basis. The membership interests of the Cooperative are divided into units. Dividends will not be paid on units. The net proceeds of the Cooperative in excess of additions to reserves shall be distributed on the basis of patronage to those member patrons who deliver agricultural products to the Cooperative, as more particularly provided in the Bylaws of the Cooperative. Members/patrons will conduct patronage business with the Cooperative in proportion to the number of units that they own, pursuant to a uniform marketing agreement. A copy of the Cooperative's Articles and Bylaws are available by contacting the Cooperative's office.

MEMBERSHIP AND UNITS

Membership in the Cooperative is restricted to those persons who meet each of the membership requirements set forth in or established under the Articles and Bylaws of the Cooperative. Failure to meet those membership requirements on an ongoing basis may result in termination of membership. Each member has one vote in the affairs of the Cooperative, regardless of the number of units the member holds. **Membership in the Cooperative and the membership fee paid by members is non-transferable. The membership fee is at-risk capital and will be used by the Cooperative to pay for organizational and development costs.**

Under the Articles and Bylaws, membership requirements include: (1) payment of a membership fee to the Cooperative in an amount established by the Board of Directors; (2) owning a minimum number of units prescribed by the Board by the date established by the Board as the date on and after which holding such number of units becomes a requirement of membership; (3) entering into a uniform delivery and marketing agreement with the Cooperative by the date established as the date on and after which entering into such an agreement becomes a requirement of membership; and (4) such other conditions of membership as the Board of Directors may establish. In addition, you must be an agricultural producer as defined in our Articles of Incorporation in order to be a member of the Cooperative.

Nothing herein obligates a member to purchase any units. Units may only be offered for sale and purchased pursuant to a Disclosure Statement, and nothing herein shall constitute an offer to sell or solicitation of an offer to buy units. Significant transfer restrictions will apply to the Cooperative's units. Failure to purchase such minimum number of units by such date established by the Board (and following receipt of the Disclosure Statement) will result in termination of membership and will preclude such person from doing business with the Cooperative on a patronage basis. **Under no circumstance are Members entitled to a refund of their membership fees, including termination of membership.**

NOTICE OF ADOPTION OF CONSENT BYLAW

Each member is hereby notified that the Cooperative has adopted the following consent Bylaw provision.

Section 8.01. Consent to Take Patronage Distributions Into Income. Each person who hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. § 1388), and which are received by the member from this cooperative, will be taken into account 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 the written notices of allocation are received by the member.

STATEMENT OF SIGNIFICANCE OF CONSENT BYLAW

The significance of this bylaw provision is that by the sole act of becoming a member or continuing as a member in the Cooperative, you agree to take into account in your federal income tax return the stated dollar amount of any "qualified written notices of allocation" distributed to you from the Cooperative, in the manner provided in Section 1385(a) of the United States Internal Revenue Code (the "Code"). Essentially, this means that the stated dollar amount of such written notices of allocation must be included in your taxable income in the year in which received. These terms are defined in Section 1388 of the Code. In addition to any amounts included in your taxable income pursuant to the foregoing, you will also be required to report as taxable income the cash portion of any patronage dividend paid to you by the Cooperative.