

**ARTICLES OF INCORPORATION
OF
GLACIAL LAKES CORN PROCESSORS**

**A COOPERATIVE ORGANIZED UNDER
SOUTH DAKOTA STATUTES, CHAPTERS 47-15 TO 47-20, INCLUSIVE**

**ARTICLES OF INCORPORATION
OF
GLACIAL LAKES CORN PROCESSORS**

**A COOPERATIVE ORGANIZED UNDER
SOUTH DAKOTA STATUTES, CHAPTERS 47-15 TO 47-20, INCLUSIVE**

The undersigned, in order to form a cooperative under South Dakota Statutes, Chapters 47-15 to 47-20, inclusive, do hereby adopt and execute the following Articles of Incorporation pursuant to the provisions of South Dakota Statutes, Chapters 47-15 to 47-20, inclusive:

**ARTICLE I
NAME, PRINCIPAL PLACE OF BUSINESS, REGISTERED OFFICE AND AGENT**

The name of this cooperative is Glacial Lakes Corn Processors. The principal place of business for this cooperative is the city of Watertown, South Dakota. The registered office address of this cooperative is 18395 456th Avenue, Castlewood, South Dakota. The registered agent at that address is Richard Wiarda.

**ARTICLE II
PURPOSES AND POWERS**

Section 2.1 Purposes. This cooperative is organized for the following purposes:

(a) to receive, handle, store, warehouse, manufacture, process, market, buy, sell and otherwise deal in the agricultural products and services of its members and nonmember patrons;

(b) to manufacture, buy, sell, market, store, warehouse, acquire, transport, distribute, process, produce, drill, mine, refine, and otherwise deal in and procure for its members, nonmember patrons and others, petroleum products, feed, grain, fertilizer, chemicals, livestock, machinery, equipment, supplies, and other goods, products, merchandise and services used or useful in farming and the agricultural industry;

(c) to engage in activities involving agricultural education, research and development, legislation and economic or social conditions pertaining to farmers and the agricultural industry;

(d) to engage in the financing of the activities described above; and

(e) to engage in any activity connected with or related to any such purposes, and to engage in any other activity within the purposes for which cooperatives may be organized.

To this end, the business and activities of this cooperative shall be conducted on a cooperative basis, as more particularly provided in these Articles of Incorporation (these “Articles”) and the Bylaws (the “Bylaws”) of this cooperative.

Section 2.2 Powers. In addition to other powers, this cooperative may perform every act and thing necessary, proper, incidental or convenient to the conduct of its business or the accomplishment of its purposes. This cooperative shall have all powers, privileges and rights conferred upon it by applicable law. Without limiting the foregoing, this cooperative shall have the power:

(a) to borrow money from and to loan money to its members, nonmember patrons and others; to guarantee or stand as surety on loans made to its members, nonmember patrons and others by lenders; to issue bonds, deeds of trust, debentures, notes, and other obligations and to secure the same by pledge, mortgage, or trust deed on any real or personal property of this cooperative; to draw, make, accept, endorse, guarantee, execute, and issue promissory notes, bills of exchange, drafts, warrants, warehouse receipts, certificates and other obligations, and negotiable or transferable instruments for any purpose deemed necessary to further the objects for which this cooperative is formed;

(b) to acquire, purchase, hold, lease, encumber, sell, exchange, and convey such real estate, buildings, and personal property as the business of this cooperative may require;

(c) to purchase, acquire, own, mortgage, pledge, sell, assign, transfer or otherwise dispose of, equity or debt securities created by any other corporation or other legal entity wherever organized, with all the rights, powers and privileges of ownership thereof;

(d) to borrow money, to incur obligations and to assume obligations of any other person, in any amount; and to make contracts for hire;

(e) to issue equity and debt securities, whether certificated or uncertificated, as further provided in the Articles and in the Bylaws;

(f) to join with other cooperatives, limited liability companies, corporations, partnerships, associations or other entities to form district, state, or national marketing, manufacturing, purchasing and service organizations, and other organizations engaged in the general purposes for which this cooperative is formed, and to purchase, acquire, and hold the capital stock or other equity interests and the notes, bonds and other obligations of such organizations;

(g) to have one or more offices, and to conduct any or all of its operations and business, and promote its purposes without restriction as to places or amounts; and

(h) to carry on any other business in connection with the foregoing and to engage in any of said activities on its own account or as agent for others, or alone or in

association with others; and to employ agents, consultants and nominees to perform any or all of the powers described or referred to herein.

The powers, privileges and rights specified herein shall, except where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any other provision of these Articles. The enumeration of powers, privileges and rights herein shall not be held to limit or restrict in any manner the general powers, privileges and rights conferred upon this cooperative under applicable law. Except for those powers that are conferred upon or reserved to the members by South Dakota Statutes, Chapters 47-15 to 47-20, inclusive (hereinafter, the "South Dakota Cooperative Association Act"), these Articles or the Bylaws, the Board of Directors of this cooperative shall govern the business and affairs of this cooperative and shall have authority to and shall exercise all of the powers of this cooperative.

Section 2.3 Limitation on Nonmember Business. This cooperative shall not market the products of nonmembers in an amount the value of which exceeds the value of the products marketed for members. It shall not purchase supplies and equipment for nonmembers in an amount the value of which exceeds the value of the supplies and equipment purchased for members. It shall not purchase supplies and equipment for persons who are neither members nor producers of agricultural products in an amount the value of which exceeds fifteen percent (15%) of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the limitations imposed by this section.

ARTICLE III DURATION

This cooperative shall have perpetual existence.

ARTICLE IV MEMBERSHIP AND CAPITAL STOCK

Section 4.1 Authorized Capital Stock. This cooperative is organized with capital stock. The authorized capital stock of this cooperative consists of: Five Hundred Million (500,000,000) shares of common stock, with a par value of \$.0005 per share; and One Million (1,000,000) shares of preferred stock, with a par value of \$1.00 per share. Except as may be limited by the South Dakota Cooperative Association Act, these Articles or the Bylaws, the Board of Directors of this cooperative (the "Board of Directors") shall have the authority and power to establish and issue one or more than one series of shares within a class, to set forth the designation of series of such shares, to fix the relative rights, preferences, privileges and limitations of each series of shares; and to establish and maintain such capital reserve, nonstock revolving capital, unit retains, and other types of equity credits as further provided in these Articles and the Bylaws.

Section 4.2 Membership and Common Stock.

(a) The common stock of this cooperative is the membership stock of this cooperative, and is the only class of membership stock of this cooperative. The common stock shall be issued or transferred only to persons eligible to be members of this cooperative, as more particularly provided in these Articles and the Bylaws of this cooperative. Each member of this cooperative must hold a minimum of Two Thousand Five Hundred (2,500) shares of common stock by the date established by the Board of Directors as the date on and after which holding such number of shares of common stock becomes a requirement of membership. The Bylaws of this cooperative may establish additional qualifications, requirements, method of acceptance, terms, conditions, termination and other incidents of membership in this cooperative. Only members shall have voting power in this cooperative. Each member shall have one vote in the affairs of this cooperative regardless of the number of shares of common stock held by such member.

(b) No holder of common stock shall have any right whatsoever to require the redemption of its common stock. The common stock may be redeemed only at the option of the Board of Directors in accordance with the provisions of these Articles and the Bylaws. The Board of Directors shall have the authority to establish a redemption policy on terms and conditions it deems advisable in its sole discretion. No dividends shall be paid on the common stock of this cooperative. Shares of the common stock shall be transferable only with the approval of the Board of Directors, and then only to persons eligible to hold the common stock. No purported assignment or transfer of any common stock to any person not eligible to hold such shares shall pass any rights or privileges on account of such shares.

(c) The Board of Directors shall have the authority to establish such additional terms and conditions, qualifications, methods of acceptance, duties, rights and privileges of holding common stock of this cooperative as it may from time to time deem advisable. The Board of Directors may refuse membership or provide conditional membership to an applicant in its sole discretion.

(d) As used in these Articles of Incorporation, the term "person" shall include individuals, trusts, firms, partnerships, limited liability companies, unincorporated associations, cooperatives, corporations and bodies politic.

Section 4.3 Preferred Stock. Except as otherwise provided in the Bylaws, preferred stock may be issued to any person. The Bylaws may establish conditions, requirements or limitations of holding preferred stock. The preferred stock is nonvoting, and holders of preferred stock are not entitled to voting rights in this cooperative solely by virtue of their ownership of the preferred stock. Dividends on preferred stock may be paid as determined by the Board of Directors, but only if the net income of this cooperative for the previous fiscal year is sufficient. Dividends on the preferred stock shall not exceed eight percent (8%) annually of the par value of the preferred stock, and the dividends shall not be cumulative. As further provided herein, the Board of Directors shall have the authority and power to establish and issue one or more than one series of preferred stock, to set forth the designation of series of such shares, and to fix the

relative rights, preferences, privileges and limitations of each series of shares of preferred stock. Shares of the preferred stock shall be transferable only with the approval of the Board of Directors.

Section 4.4 Ineligibility of a Common Stockholder.

(a) As may be more particularly provided for in the Bylaws, if the Board of Directors finds that any common stock of this cooperative has come into the hands of any person who is not eligible to own common stock or who has otherwise become ineligible for membership in this cooperative, the Board of Directors of this cooperative shall have the right, at its option, (1) to redeem the common stock at an amount equal to the value of the consideration for which the common stock was issued; or (2) to convert the common stock into a nonvoting certificate of interest or other nonvoting equity credit at an amount equal to the value of the consideration for which the common stock was issued. Upon such redemption or conversion, such ineligible holder of common stock shall cease to be a member of this cooperative and shall cease to have voting rights in this cooperative. Such ineligible holder shall remain entitled to any entitlement based on patronage of such holder (or any predecessor owner of the stock) as may be more specifically described in the Bylaws. Such ineligible holder shall remain entitled to any entitlement based on patronage of such holder (or any predecessor owner of the stock) as may be more particularly provided in the Bylaws.

(b) In exercising its right to redeem or to convert the common stock under the preceding paragraph, this cooperative may cancel the certificate or certificates of such common stock on its books in the event the holder fails to deliver the certificate or certificates evidencing such common stock to the cooperative. In the event this cooperative exercises its right to convert the common stock into a nonvoting certificate of interest or other nonvoting equity credit, this cooperative shall have no obligation to redeem such nonvoting equity interest, nor shall the holder of such interest have any right to demand the redemption thereof.

(c) Except as specifically provided for in the Bylaws, no action taken by this cooperative with respect to its common stock shall modify the obligations and liabilities of any holder thereof to this cooperative under any uniform marketing and delivery contract or other contract between the holder and this cooperative, nor impair the rights of this cooperative under such contracts.

ARTICLE V NET INCOME AND LOSS

The net proceeds of this cooperative as reduced by deductions allowed by South Dakota Statutes Section 47-16-41 (referred to herein as “net income” or “net loss” as the case may be), as further reduced pursuant to South Dakota Statutes Sections 47-16-44 through 47-16-50, shall be distributed to members and nonmember patrons annually or more often on the basis of patronage. Net income may be accounted for and distributed on the basis of allocation units that may be functional, divisional, departmental, geographic, or otherwise. Distributable net income

may be distributed in cash, credits, stock, certificates or interest, revolving fund certificates, letters of advice, or other certificates or securities of the cooperative or of other associations or corporations, in other property, or in any combination thereof. Any such allocated equity shall be redeemable only at the option of the Board of Directors. The net loss of an allocation unit or units may be offset against the net income of other allocation units to the extent permitted by law. The net income or net loss of this cooperative or any allocation unit may be determined by including the cooperative's proportionate share of the net income or loss of other entities in which the cooperative owns an equity interest. The foregoing provisions of this Article shall be implemented as more particularly provided in the Bylaws of this cooperative.

ARTICLE VI LIQUIDATION

In the event of any dissolution, liquidation or winding up of this cooperative, whether voluntary or involuntary, all debts and liabilities of this cooperative shall be paid first according to their respective priorities. As more particularly provided in the Bylaws, the remaining assets shall then be paid to the holders of equity capital to the extent of their interests therein and to the patrons of this cooperative on the basis of their past patronage. The Bylaws may provide more particularly for the allocation among the members and nonmember patrons of this cooperative of the consideration received in any merger or consolidation to which this cooperative is a party.

ARTICLE VII FIRST LIEN

This cooperative shall have a first lien on all capital stock, equity credits, and other interests standing on its books for all indebtedness of the respective holders or owners thereof to the cooperative. This cooperative shall also have the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the amount of such capital stock, equity credits, or other interests standing on its books; provided, however, that nothing contained herein shall give the owners of capital stock, equity credits, or other interests any right to have such set off made.

ARTICLE VIII BOARD OF DIRECTORS; INCORPORATORS

Section 8.1 Number and Board. The business and affairs of this cooperative shall be managed by a board of directors of not less than five (5) individuals, as further provided in these Articles and the Bylaws. Directors shall be elected by the members of this cooperative in such manner and for such terms as the Bylaws shall prescribe. The nomination and election of directors of this cooperative shall be on a district basis, as more particularly provided in the Bylaws. Voting for any director shall be limited to members from within the district from which such director is to be elected, and voting for directors shall be limited to voting by mail ballot only, provided that, if the nomination process results in only one nominee for a board seat in a particular district or districts, members residing within that district may elect such nominee by voice vote at the annual meeting in lieu of voting by mail ballot, as more particularly provided in

the Bylaws. The names and addresses of the incorporators who shall serve as the members of the first Board of Directors of this cooperative, for such terms and in such manner as the Bylaws shall prescribe, are as follows:

Richard Wiarda	18395 - 456th Avenue Castlewood, SD 57223
Doyle Thompson	RR1, Box 304 Gary, SD 57237
Randall Frederick	18806 - 446th Avenue Hayti, SD 57241
Terry Little	17532 - 454th Avenue Watertown, SD 57201
Larry Kahnke	44198 - 161 st Florence, SD 57235
Leland Roe	18253 - 446th Avenue Hazel, SD 57242
Steve Owen	43617 - 172nd Street Henry, SD 57243
Dale Williams	19151 - 465 th Ave. Estelline, SD 57234
Ronald Thyen	45142 - 186 th St. Hayti, SD 57241
Terry Mudgett	727 N. Commercial Street Clark, SD 57225
Jon T. Anderson	19137 - 437 th Ave. Bryant, SD 57221

Section 8.2 Limitation on Liability. No director of this cooperative shall be personally liable to the cooperative or its members for monetary damages for breach of fiduciary duty as a director, except for liability:

(a) for a breach of the director's duty of loyalty to this cooperative or its members;

(b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(c) for a transaction from which the director derived an improper personal benefit; or

(d) for an act or omission occurring prior to the date when the provisions of this Article became effective.

It is the intention of the members of this cooperative to eliminate or limit the personal liability of the directors of the cooperative to the greatest extent permitted under South Dakota law. If amendments to the South Dakota Statutes are passed after this Article becomes effective which authorize cooperatives to act to eliminate or further limit the personal liability of directors, then the liability of the directors of this cooperative shall be eliminated or limited to the greatest extent permitted by the South Dakota Statutes, as so amended. Any repeal or modification of this Article by the common stockholders of this cooperative shall not adversely affect any right of, or any protection available to a director of this cooperative which is in existence at the time of the repeal or modification.

**ARTICLE IX
AMENDMENTS**

These Articles of Incorporation may be amended in accordance with the South Dakota Cooperative Association Act, Chapters 47-15 to 47-20, inclusive.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles this 13th day of September, 2000.

/s/ Richard Wiarda
Richard Wiarda

/s/ Doyle Thompson
Doyle Thompson

/s/ Randall Frederick
Randall Frederick

/s/ Terry Little
Terry Little

/s/ Larry Kahnke
Larry Kahnke

/s/ Leland Roe
Leland Roe

/s/ Steve Owen
Steve Owen

/s/ Dale Williams
Dale Williams

/s/ Ronald Thyen
Ronald Thyen

/s/ Terry Mudgett
Terry Mudgett

/s/ Jon T. Anderson
Jon T. Anderson

Amended by the members on October 29, 2004

Amended by the members on May 25, 2006

Amended by the members on September 25, 2007

Amended by the members on January 16, 2010

Consent of Appointment by the Registered Agent

I, _____, hereby give my consent to serve as the registered agent for Glacial Lakes Corn Processors.

Dated _____, 2000 _____
(Signature of Registered Agent)