

BYLAWS OF WESTERN AGCREDIT, PCA

ARTICLE I -- DEFINITIONS

100 **Definitions**

- 100.1 “Act” the Farm Credit Act of 1971, as it may be amended from time to time.
- 100.2 “Agreement” - the Agreement and Plan of Consolidation by and between PCA and FLCA.
- 100.3 “Annual Meeting” - the annual meeting of Stockholders pursuant to Article IV of these Bylaws.
- 100.4 “Association” - this Western AgCredit, PCA, a production credit association and a wholly-owned subsidiary of Western AgCredit ACA.
- 100.5 “Authorization Event” – shall have the meaning set forth in Section 200 hereof.
- 100.6 “Bylaws” - these Bylaws, as they may be amended from time to time pursuant to Article XIV hereof.
- 100.7 “Effective Date” - December 31, 2000, or such other date on which these Bylaws become effective.
- 100.8 “FCA” - the Farm Credit Administration.
- 100.9 “FCB” - Western Farm Credit Bank or any successor entity thereto.
- 100.10 “Member” - a holder of capital stock in Western AgCredit ACA.
- 100.11 “Regulations” - FCA regulations or directives applicable to and binding on the Association.
- 100.12 “Stock” - Capital Stock of the Association as described in Section 800 of these Bylaws.
- 100.13 “Stockholders” – Western AgCredit ACA and any other person or entity holding Stock under Article VIII.
- 100.14 “System” - the Farm Credit System.
- 100.15 “Voting Member”- a Member who exercises voting rights under the Act.

100.16 “Western AgCredit ACA” – the Western AgCredit, ACA, an agricultural credit association.

100.17 “Western AgCredit FLCA” - the Western AgCredit, FLCA, a federal land bank association with direct lending authority and a wholly-owned subsidiary of Western AgCredit ACA.

110 Reference to “Board”.

All references in these Bylaws to the “Board” shall refer both to the directors sitting as of the effective date of the Bylaws and to any successors thereof pursuant to these Bylaws, unless the context otherwise requires.

ARTICLE II -- LEGAL STATUS; AUTHORITIES

200 Introductory Statement

This Association is a cooperative credit institution, which is owned indirectly by the Members of Western AgCredit ACA and is federally chartered pursuant to the Act. Subject to the Act and Regulations, Western AgCredit ACA shall authorize Association to continue to conduct and exercise in its chartered territory some or 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 Production Credit Association (“Authorization Event”). Without limiting the foregoing, these authorities include authority to:

- a) Make, guarantee or participate with other lenders in short- and intermediate-term loans (for a term not more than fifteen (15) years) and provide other similar financial assistance to:
 1. bona fide farmers and ranchers and producers or harvesters of aquatic products, for agricultural or aquatic purposes and other requirements of such borrowers as specified in the Act;
 2. rural residents for housing financing in rural areas; and,
 3. persons furnishing to farmers and ranchers farm-related services directly related to their agricultural production; and;
- b) Provide technical assistance to borrowers, applicants, and Members, and make available to them, at their option, such financially related services appropriate to their agricultural and aquatic operations as is determined feasible under applicable regulations.

210 Relationship with Western AgCredit ACA and Western AgCredit FLCA

Upon an Authorization Event, the Association, Western AgCredit ACA and Western AgCredit FLCA shall conduct an integrated lending operation. To the extent authorized by the Board of Western AgCredit ACA, Association shall continue to make short- and intermediate-term loans and provide financially related services to qualified borrowers in the Association's territory, and Western AgCredit FLCA shall continue to make long-term real estate loans and provide financially related services to qualified borrowers in the Association's territory. In addition, upon the Authorization Event, all three institutions shall enter into a General Financing Agreement ("GFA") with the FCB for purposes of funding loans originated and made by Western AgCredit ACA, Western AgCredit FLCA and Association pursuant to their respective lending authorities. The indebtedness owed to FCB under the GFA shall be the joint and several obligation of all three institutions. Western AgCredit ACA at all times will own all of the voting capital stock of Association and Western AgCredit FLCA.

ARTICLE III -- ELIGIBILITY TO BORROW, ETC.

300 Definition of Eligible Borrowers

Eligible borrowers of the Association shall include any person or entity to whom a Production Credit Association is authorized by the Act, and regulations thereunder, to extend credit and other services, who or which is, or is about to become, a Member of Western AgCredit ACA.

ARTICLE IV -- MEETINGS OF STOCKHOLDERS

400 Meetings

All annual and special meetings of the Stockholders of the Association shall be called and conducted in the manner, and pursuant to the procedures and requirements, set forth in the Bylaws of Western AgCredit ACA.

410 Voting

All voting rights shall be held by Western AgCredit ACA.

ARTICLE V -- BOARD OF DIRECTORS

500 Board of Directors

The Association's Board of Directors shall consist of the members in good standing of the Board of Directors of Western AgCredit ACA. Any director shall automatically be removed from the Board and his or her office shall automatically become vacant in the event that such director resigns or is removed for any reason from the Board of Directors of Western AgCredit ACA. Upon a member's term expiration, resignation or removal

from the Board of Directors of Western AgCredit ACA, such member's duly appointed or elected replacement or successor shall automatically become a member of the Association's Board.

510 Meetings

All meetings of the Board shall be called and conducted in the manner, and pursuant to the procedures and requirements, set forth in the Bylaws of Western AgCredit ACA.

530 Duties of Directors

530.1 General Control of Association. The Board shall be responsible for general control and direction of the affairs of the Association. The Board shall determine Association policy matters, periodically review the operations of the Association, and keep itself informed of the Association's fulfillment of its objectives and duties in accordance with the Act, the Regulations, and other objectives. The Board recognizes that the Association, Western AgCredit ACA and Western AgCredit FLCA are responsible for, and dependent on, each other's financial condition. Accordingly, the Board will manage the Association's affairs and establish policies with the primary objective of improving the three institutions' combined financial condition.

530.2 Elect and Fix Salary of the Chief Executive Officer. The Board shall: (a) appoint and fix the salary of the chief executive officer; (b) prescribe the duties and responsibilities of the chief executive officer who shall be responsible for the management of the Association; and (c) provide for payment from the Association's general funds of the reasonable and necessary expenses incurred by committees, officers and employees of the Association in connection with the Association's business.

530.3 Adoption of Bylaws. At the first meeting of the Board, the Board shall approve these Bylaws effective as of December 31, 2000.

540 Honoraria

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

ARTICLE VI -- COMMITTEES

600 Committees

The board of directors may appoint and prescribe the duties of such committees as deemed necessary. Meetings may be conducted by telephone conference call, provided a reasonable attempt is made to reach all members, a quorum is present, and the technical arrangements permit all participants to hear each other. Actions taken under this authority will be reported to the board of directors at its next regular meeting.

610 Quorum

A majority of any committee shall constitute a quorum. Once a quorum has been established, a majority vote of those present shall constitute the vote of the committee.

620 Withdrawal

A director or employee shall withdraw from the meeting of the board of directors or committee during deliberation and determination of any matter related to his/her personal interests, and the minutes will so state.

630 Minutes

Each committee shall keep a written record of its proceedings.

640 Vacancies

Vacancies on any committee shall be filled from among the alternates, if any, by vote of the entire Board.

ARTICLE VII -- OFFICERS AND EMPLOYEES

700 Election of Senior and Other Officers

700.1 As soon as practicable following the annual meeting of members, and at such other times during the year as is necessary to fill vacancies, the board of directors shall elect a chairman and a vice chairman from among the members of the board.

700.2 The board shall select a chief executive officer who shall serve at the pleasure of the board, and shall continue in office until a successor is elected and takes office unless the chief executive officer shall resign, die, retire, or be removed by the board. Other Association officers shall be a secretary, a treasurer (or chief financial officer), and any other salaried officers provided for by the board. Individuals may be appointed to these positions by the board or by the chief executive officer as prescribed in Section 710.3 of these bylaws. A combination of these offices may be held by one individual.

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

710 Duties of Officers

710.1 Duties of Chairman of the Board

The chairman (1) shall preside over all meetings of the board of directors and the chairman or the board's designee shall preside over all meetings of the Association members; (2) shall see that all orders and resolutions of the board of directors, regulations

with respect to the Association, and all policies and procedures prescribed by the district board and the FCB are carried into effect; and (3) shall perform such other duties as may be prescribed by the board of directors. The chairman may sit on any committee the Board so directs.

710.2 Duties of Vice Chairman of the Board

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

710.3 Duties of the Chief Executive Officer

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

710.4 Duties of the Secretary

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

710.5 Duties of the Treasurer (or Chief Financial Officer)

The treasurer (or chief financial officer) (1) shall have custody of all funds, securities, and assets of the Association; (2) shall provide full and complete records of all assets and liabilities of the Association; (3) shall make such reports as may be required; (4) shall keep complete stock ownership records; and (5) shall perform such other duties with respect to the finances of the Association as may be prescribed by the chief executive officer or by the board of directors.

720 Removal

The chairman and the vice chairman may be removed from their positions as officers of the board, and the chief executive officer may be removed from office at any time by a majority vote of the entire membership of the board of directors.

730 Joint Management

Association, Western AgCredit ACA and Western AgCredit FLCA shall have the same officers and management, and, unless expressly designated otherwise, all officer and other employment positions shall be joint positions with all three Associations.

ARTICLE VIII -- CAPITALIZATION, EARNINGS, SURPLUS, DIVIDENDS

800 Authorization, Classes, Par or Face Value

The Association is authorized to have the following classes of capital stock, each with a par or face value of \$5.00 per share or unit, in such amounts as may be necessary to conduct its business unless a maximum number is specified for the class:

1. Class J Common Stock - Voting
2. Class K Common Stock - Nonvoting (10,000,000 shares)
3. Such other classes of capital stock as may be provided for from time to time in amendments of these Bylaws as provided in Article XIV.

Each share of stock shall have a par or face value of \$5.00. Fractional shares shall not be issued. All transfers, exchanges, conversions and retirements shall be at book value not to exceed par.

805 Ownership and Transfer

Stock may be transferred to such persons or entities eligible to receive or hold such stock or certificates as enumerated in Section 810 of these Bylaws, provided that Stock may not be transferred or retired at any time during which the Association is not in compliance with the minimum capital adequacy requirements of the FCA.

Evidence of ownership of capital stock shall be by book entry.

The Association shall be its own transfer agent in all matters relating to its capital stock.

810 Issue

810.1 Class J Common Stock - Voting.

Upon the Effective Date, the Association shall issue to Western AgCredit ACA Class J Common Stock with a par value equal to the par value of the outstanding stock of Association immediately prior to the Effective Date. Thereafter, Class J Common Stock shall be issued only to Western AgCredit ACA in such amounts and at such times determined by the Board. Class J Common Stock shall have voting rights.

810.2 Class K Common Stock - Nonvoting.

Class K Common Stock shall be issued to other Farm Credit institutions as necessary. Class K Stock may be retired only at the discretion of the Board and shall have no voting rights.

815 Retirement

All classes of stock may be retired only at the discretion of the Board of Directors and only when the Association is in compliance with any Farm Credit Administration capital adequacy regulations applicable to it. Notwithstanding the foregoing, the Association shall retire:

- a. Class J Common Stock at such times and in such amounts as determined in the discretion of the Board;
- b. Class K Common Stock at such times and in such amounts as determined in the discretion of the Board.

Stock, when retired, shall be retired at book value not to exceed par or face value.

820 Liens

The Association shall have a lien on all Western AgCredit ACA stock and other equities held by any borrower as additional collateral for any indebtedness of the borrower to the Association. Stock may not be pledged or hypothecated to third parties.

When the debt of the borrower is in default, the Association may direct Western AgCredit ACA to retire any stock held by the borrower and the proceeds thereof applied against the indebtedness to the Association.

825 Distribution on Liquidation

In the event of 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 allocated surplus pro rata, on the basis of oldest allocations first, until an amount equal to the total account has been distributed; and

To the holders of Class J common stock and Class K Stock, without preference, in proportion to the number of shares then issued and outstanding.

830 Impairment and Restoration

Except as otherwise provided in the Act, any impairment of capital stock shall be treated as impairing all shares of Class J Common Stock and Class K Common Stock, pro rata to each share outstanding, without preference to class of stock. Impaired stock shall be

restored on a pro rata basis, without preference to class of stock, until each share of stock has a book value equal to par or face value.

835 Allocated Surplus

835.1 The Board may create and maintain an allocated surplus account consisting of earnings held therein and allocated to borrowers on a patronage basis pursuant to Section 870. In the event of a net loss for any fiscal year, such allocated surplus account shall be subject to impairment in the order specified in Section 845 on a pro rata basis.

835.2 The Association shall have a lien on all surplus account allocations owned by any borrower, and all distributions thereof, as additional collateral for the borrower's indebtedness to the Association.

835.3 When the debt of a borrower is in default or is in the process of final liquidation by payment or otherwise, the Association may order any and all surplus account allocations owned by such borrower to be applied on the indebtedness. Any such retirement and application of surplus account allocations to indebtedness shall be before similar retirement and application of other stock owned by the borrower.

835.4 Whenever all of the stock owned by a borrower are retired or otherwise disposed of and the Association meets any regulatory capital requirements applicable to it, any surplus account allocations owned by such borrower may also be retired upon request of the owner and approval of the Board, and the proceeds paid to the owner. Alternatively, if the Association directs, such surplus account applications may be applied against any of the borrower's indebtedness to the Association.

835.5 In the complete discretion of the Board, allocated surplus may be distributed, oldest allocations first, 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 capital amount prescribed by any capital adequacy requirements applicable to the Association. Distributions of less than the full amount of all allocations issued as of the same date shall be on a pro rata basis.

840 Applications of Earnings

At the end of each fiscal year, the Association shall apply its earnings (including patronage allocations and refunds received from FCB) for such fiscal year as follows:

840.1 First, to cover operating and non-operating expenses including additions to loan loss reserves.

840.2 Second, to restore the amount of any impairment of capital stock as prescribed in Section 830 of these Bylaws.

840.3 Third, to restore the amount of any impairment of allocated surplus in the reverse order of such impairment.

840.4 Fourth, to restore the amount of any impairment to unallocated surplus.

840.5 Fifth, to create and maintain an unallocated surplus account.

840.6 Sixth, to pay patronage as provided in Section 870 hereof.

840.7 Seventh, to pay dividends on capital stock as provided in Section 860 hereof.

845 Absorbing Losses

In the event of a net loss for any fiscal year after applying earnings for such fiscal year as provided in Section 840, such loss shall be absorbed as follows:

845.1 First, by charges to the unallocated surplus account.

845.2 Second, the impairment of allocated surplus with the application in the order of most recent to oldest, on a pro rata basis, until all allocated surplus has been exhausted.

845.3 Third, to the impairment of capital stock as provided in Section 830.

850 Surplus

The Association shall create and maintain an unallocated surplus account in an amount prescribed from time to time by the Board of Directors. The surplus may not be reduced except as provided in Section 845.1.

860 Dividends

860.1 Subject to the Act and the Regulations thereunder, and provided that, at the time of declaration thereof, no class of stock shall be impaired, noncumulative dividends may be declared and paid on any one or more classes of stock, as the Board from time to time may determine, subject to the preferences established in this Section. All dividends will be declared on a per share basis.

860.2 If dividends are declared on common stock, they must be declared at the same rate per share or unit on Class J and Class K Common Stock.

860.3 Dividends may be paid in the form of any class of stock which the recipient thereof is eligible to hold, or in cash, or any combination thereof, as the Board from time to time may determine.

865 Effective Date

Dividends, when paid, shall be paid to holders of record on the effective date of declaration.

870 Patronage Refunds

870.1 Subject to the provisions of the Act and Regulations and the following provisions, the Association's Board may, by adoption of a resolution, obligate the Association to distribute, in a qualified or nonqualified form, to borrowers and other patrons ("Patrons"), on a patronage basis, all or any portion of the available net earnings for such fiscal year or for that and subsequent fiscal years. Absent such resolution, the Association's earnings shall automatically be included in the consolidated patronage earnings of Western AgCredit ACA and subject to distribution as patronage pursuant to Article VII of Western AgCredit ACA's bylaws.

870.2 All patronage distributions directly from the Association shall be in proportion to the amount and/or value of business done by the Association with or for each Patron, as determined by the Board on an equitable and nondiscriminatory basis. Any earnings pool that may be established for the payment of patronage distributions should be established on a rational and equitable basis and shall insure that each Patron of the Association receives its fair share of the earnings of the Association and bears its fair share of the expenses of the Association, provided that the board shall retain discretion not to pay patronage distributions on one or more of such pools.

870.3 The availability of earnings for patronage distributions shall be determined after first making applications required by this Article, and providing for the transfer to unallocated surplus of the amount, if any, established by the Association's capitalization plan. The Board in its resolution may establish a minimum level of available earnings and if the available earnings fall below this level no patronage distribution will be made.

870.4 Patronage distributions may be in cash or allocations of earnings retained in an allocated surplus account, or any one or more of such forms of distribution. Any portion of a patronage distribution made in the form of allocated surplus which is not a multiple of \$5.00 may be distributed in cash or held by the Association for the borrower and included in subsequent distributions.

870.5 If the debt of a borrower is in default, any part of the patronage distribution to that borrower may, at the discretion of the Association, be applied against the borrower's indebtedness to the Association.

870.6 The Association may obtain from each Patron such Patron's consent to take into account, as income, at its stated dollar amount as provided in 26 U.S.C. §1385, the amount of his or her respective distribution paid in, or evidenced by, a qualified written notice of allocation, which may include allocated surplus, and/or the amount of any

distribution that has been applied to the patron's indebtedness as provided in Section 870.5 of these bylaws. Consent shall be in a form prescribed by the Board and shall comply with the requirements of 26 U.S.C. §1388. Consent may be by qualified check as described in 26 U.S.C. §1388.

Consent under this section shall be continuing in effect, provided that consent (other than consent by qualified check) may be revoked in writing, which revocation shall become effective only with respect to patronage occurring on or after the first day of the first fiscal year of the Association beginning after the revocation is filed with the Association.

870.7 Reserved

870.8 Notwithstanding other provisions of this section, the Association may not obligate itself to distribute earnings on a patronage basis if the Association, Western AgCredit ACA and Western AgCredit FLCA, on a consolidated basis, would not, after taking into account such distribution, meet capital adequacy standards as determined from time to time in accordance with the Regulations.

ARTICLE IX -- EXECUTION OF DOCUMENTS

900 Transactions with Supervising Bank, Releases, and Uniform Commercial Code Transactions

All documents required to be executed in connection with transactions with the FCB, and releases of security, including releases and satisfactions of judgments, subordination agreements, and all security agreements, financing, continuation and termination statements, and other writings relating to secured transactions within the meaning of the Uniform Commercial Code, may be executed in the name of the Association by the chief executive officer or the chief executive officer's designee or any other employee designated by resolution of the Association board of directors.

910 Other Transactions

Bonds, contracts, conveyances, and all other documents, except checks and vouchers of the Association, shall be signed by the chief executive officer or any other employee of the Association designated by resolution of the board of directors, and, when required, shall be attested to by the secretary or any assistant secretary of the Association. When the Association holds a mortgage containing a provision for foreclosure by the Association under a power of sale, the board of directors, or the chief executive officer, if authorized by the board, may, at either's discretion, convey the mortgaged property in the name of the Association. No person shall sign and attest the same document.

920 Expenses and Checks

The chief executive officer or any other employee(s) designated by the chief executive officer shall approve and pay all expenses of the Association and shall sign all checks and vouchers issued by the Association.

ARTICLE X -- RECORDS AND REPORTS

1000 Records

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

1000.2 To protect the confidentiality of the resolutions adopted by the board in casting the ballots for nominations and election of FCB board members, the minutes shall reflect that balloting was held and the results of the balloting were mailed to the independent auditor prescribed by the FCB.

1000.3 Association director ballots and proxy ballots shall be physically safeguarded before the time of distribution or mailing to voting stockholders and after the time of receipt by the Association until disposal. Ballots, proxy ballots, and election records shall be retained until the term of office of the director has expired and promptly destroyed thereafter.

1000.4 The Association shall provide for an independent auditor or for the establishment of a Tellers Committee or other designated group of persons which shall be responsible for validating ballots and proxies and tabulating election results. Association directors, officers, and employees shall make no public announcement of the results of the election before the independent auditor or Tellers Committee or other designated persons have validated the results of the election.

1010 Reports

As required by Regulations or more often as determined by the Board, the Association shall make available to each member a written financial report, including a statement of income and expense and a statement of condition which shall conform to generally accepted accounting principles and Regulations. Such reports shall be consolidated reports reflecting the activities of Association, Western AgCredit ACA and Western AgCredit FLCA to the extent required by FCA.

ARTICLE XI -- UNCLAIMED PROPERTY

The Association shall seek to pay the owners the proceeds of any retirement of stock and any accrued dividends. In the event the Association, after a period of five (5) years from the date payable, is unable to determine the address or whereabouts of the owner or the heirs and assigns of the owner, the funds may be taken into income of the Association unless other disposition is required by State law.

ARTICLE XII -- FISCAL YEAR

The fiscal year of this Association shall be the calendar year.

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

1300 Indemnification

1300.1 The Association shall indemnify, to the fullest extent permitted by law, any director, officer or employee who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he/she is, or was, a director, officer or employee of the Association, or is or was serving at the request or direction of the Association as a director, officer, employee, agent, administrator, advisor, fiduciary or member of another corporation, partnership, joint venture, holding company, subsidiary, trust, retirement or other employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding.

1300.2 The Association may indemnify any agent of the Association to the same extent as and under the same provisions applicable to directors, officers and employees, but only by specific action of and to the extent designated by the Association's Board.

1300.3 As used in this Article, "party" means a defendant or respondent in an action, suit or proceeding.

1310 Additional Indemnification Provisions

Notwithstanding any other provision of this article, a director, officer or employee of the Association who has been successful, on the merits or otherwise, in the defense of any suit or proceeding referred to in Section 1300 of this article to which he/she was a party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with such suit or proceeding.

1320 Procedure

Any indemnification under Section 1300 of this article (unless ordered by the court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, or employee is proper in the circumstances. Such determination shall be made (1) by the Association's Board by a majority vote of directors who were not parties to such action, suit or proceeding even though less than a quorum; or (2) if such a majority is not obtainable, or even if obtainable, a majority of disinterested directors so directs, by independent legal counsel in a written opinion. For the purposes of this Section 1320, independent legal counsel shall be selected by a majority of disinterested directors or, if such a majority is not obtainable, by the Board of Directors.

1330 Advances of Expenses

Notwithstanding the provisions of Section 1320, reasonable expenses incurred in defending any civil or criminal action, suit or proceeding, shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, if the director, officer or employee shall undertake to repay such amount in the event that it is ultimately determined, as provided herein, that such person is not entitled to indemnification for such amount. Advances of expenses shall be made promptly and, in any event, within 30 days, upon written request of the director, officer or employee. Notwithstanding the foregoing, no advance shall be made by the Association if and to the extent a determination is reasonably made pursuant to Section 1320 that the director, officer or employee is not entitled to indemnification for such expenses pursuant to section 1300.

1340 Right of Claimant to Bring Suit

If a claim for indemnification or advancement under this Article is not paid in full by the Association within thirty days after a written claim therefore has been received by the Association, the claimant may any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the Association) that the claimant has not met the standards of conduct which make it permissible under the applicable law for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association.

Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he/she has met the applicable standard of conduct nor an actual determination by the Association

(including its Board of Directors or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

1350 Contractual Rights

The right to be indemnified or to the reimbursement or advancement of expenses pursuant to this article 1) is a contract right based upon good and valuable consideration, pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Association and the director, officer or employee, 2) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and 3) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto. However, this article does not constitute a contract of employment or any terms and conditions of employment, and does not affect the employment status of any employee.

1360 Requested Service

Any director, officer or employee of the Association serving, in any capacity, 1) another entity of which a majority of the securities entitled to vote in the election of its directors or comparable executives is held directly or indirectly by the Association and/or other Farm Credit System entities, 2) any employee benefit plan of the Association or of any entity referred to in clause (1) above, or 3) any committee, subcommittee, special asset group or other similar body related to the Farm Credit System, shall be deemed to be doing so pursuant to authorization in writing by the Association's Board of Directors.

1370 Other Rights

The indemnification provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any insurance or other agreement, vote of directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who is or was serving in any of the capacities referred to in Section 1300 hereof against any liability asserted against him/her or incurred by him/her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him/her against such liability under the provisions of this article.

1380 FCA Penalties

Notwithstanding any other provision of this Article, the Association may neither indemnify, nor purchase or maintain insurance to indemnify, directors, officers, employees or agents against expenses, penalties, or other payments incurred as a result of

an administrative proceeding or action instituted by the FCA, which results in a final order assessing civil money penalties personally against such individual(s) or requiring affirmative action by such individual(s) to make payments to the Association, PCA or FLCA.

1390 Applicable Law

Interpretation of these bylaws shall be under the laws of the State of Utah.

ARTICLE XIV -- AMENDMENTS

1400 General

Except as provided elsewhere in this Article, these Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted, by the affirmative vote of a majority of the Board at any meeting of the Board with respect to which notice of intention to alter, amend, repeal or adopt new Bylaws at such meeting has been given and which notice includes a copy of the proposed amendment(s). Provided, however, on the signing of a waiver of notice by a majority of the entire membership of the Board, the Bylaws may be altered, amended or repealed and new Bylaws adopted at any regular or special meeting of the Board.

1410 Amendments to Provisions Respecting Capitalization

Any amendment to Article VIII, other than those strictly of a technical nature not affecting any substantive rights, shall not become effective unless approved by Western AgCredit ACA's voting stockholders voting, in person or by proxy, at a duly authorized stockholders' meeting. Any issuance of preferred stock by the Association must be approved by a majority vote of the shares of each class of equities of Western AgCredit ACA affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

1420 Effectiveness

Amendments to these Bylaws shall become effective in accordance with the resolution of the Board of Directors approving such Bylaws.

CERTIFICATION

I, the undersigned corporate secretary of Western AgCredit, PCA, a Production Credit Association, hereby certify that at a meeting duly held on the 20th day of May, 2008, the Board of Directors of said association duly adopted the foregoing Bylaws.

Matthew Y. Jarrett
Corporate Secretary

Date