

BYLAWS
OF
PROCOT COOPERATIVE
(AS AMENDED FEBRUARY 26, 2016)

ARTICLE I.

PURPOSES AND POWERS

Section 1. The name of the cooperative corporation is ProCot Cooperative, which shall be hereinafter referred to as the "Cooperative."

Section 2. The purposes for which the Cooperative is formed and the powers which it may exercise are set forth in its Articles of Incorporation.

ARTICLE II.

MEMBERS

Section 1. Qualifications. The Cooperative shall admit to membership applicants who have applied to participate in the Cooperative through execution of a Membership and Marketing Agreement and who are eligible for membership under applicable statutes; provided, however, that the Cooperative may refuse admission to any applicant if the Cooperative determines that the applicant's admission would prejudice the interests of, hinder, or otherwise obstruct the purpose of the Cooperative.

Section 2. Membership Certificates. The Cooperative may issue a certificate of membership to each member. Unless a separate certificate is issued, a fully executed Membership and Marketing Agreement shall constitute a member's certificate of membership. The membership certificate shall not be transferrable by the member.

Section 3. Term of Membership. Membership shall be crop year to crop year. A crop year begins on August 1 and ends the following July 31. In the event that in a given crop year the Member does not commit any cotton to Cooperative for handling, the former Member will not be deemed a member during that crop year. However, any obligations owed to Member or by Member which are still outstanding shall be performed and be fully enforceable despite the termination of a membership for a given crop year or years.

In the event the Board of Directors of the Cooperative shall find, following a hearing of which at least thirty (30) days prior written notice is given to the affected member or person, that a membership certificate has come into the hands of any person who is not eligible for

membership in the Cooperative, that the member has ceased to be an eligible member, or that such holder has otherwise violated the Articles of Incorporation, Bylaws, or other agreements made by the member with the Cooperative, the Cooperative may suspend such holder's rights as a member and may even further terminate the membership of such member. The Cooperative may suspend a person's rights as a member, in its sole discretion, without terminating such member's membership in Cooperative.

Upon termination of membership in the Cooperative, all voting and other rights and interest of such Member in the Cooperative shall be canceled, except that such member shall be entitled to receive payment of his or her property rights and interests in the Cooperative, as such rights and interests are conclusively determined by the Cooperative's Board of Directors, in accordance with the terms of these Bylaws and the Membership and Marketing Agreement. In no event shall any action or termination taken hereunder impair or terminate the obligations or liabilities of either party incurred prior to termination.

Section 4. Withdrawal. Any member may withdraw from the Cooperative only as provided in the Membership and Marketing Agreement. Such withdrawal shall not affect any right or lien which the Cooperative has against the withdrawing member or his/her property for his/her indebtedness, if any, to the Cooperative. The member's entitlement to any property rights or interests shall be determined pursuant to Section 3 of this Article.

Section 5. Member Liability. Except as otherwise provided in a separate contract with a member, no member, as a member, shall be liable for the debts of the Cooperative to an amount exceeding the sum remaining unpaid on such member's membership fee to the Cooperative, including any unpaid balance on any promissory notes given in payment of any such amounts, if promissory notes are authorized to be received by the Cooperative by the Board of Directors.

ARTICLE III.

MEETINGS

Section 1. Fiscal Year. The fiscal year of the Cooperative shall commence on the first day of August and end on the last day of July.

Section 2. Annual Meeting. The annual meeting of the Members of the Cooperative shall be held within or without the State of Tennessee at such time, on such date and in such place within the Cooperative's operating area as the Board of Directors shall determine and designate in a notice.

Section 3. Special Meetings. The President or a majority of the Board of Directors shall have the right to call a special meeting of the members of the Cooperative at any time. Furthermore, members may file a petition stating the specific business to be brought before the Cooperative and demand a special meeting at any time so long as at least ten percent (10%) of the members sign such a petition. Such meeting must thereupon be called by the directors.

Section 4. Notice of Meetings. Notice of all member meetings, together with a statement

of the purposes thereof, shall be in writing and may be mailed to each member or sent by email to members with an email address at least ten (10) days prior to the meeting to each member's last known address. Such notice, in the discretion of the Board of Directors, may instead be given by publication in a newspaper mailed to all members or published in a membership newsletter and mailed to all members. No business shall be transacted at special meetings other than that referred to in the notice.

Section 5. Voting. Unless otherwise stated in the Articles of Incorporation, or these Bylaws, or required by applicable law, all questions shall be decided by a vote of a majority of the members voting thereon.

Each member shall be entitled to only one vote. If authorized by the Board, voting by mail or email shall be permitted. Members may vote in person or by proxy.

If a membership is held by a partnership, corporation, or other legal entity, the member shall designate in writing the individual who shall vote on behalf on the member. That designation shall remain in effect until written notice of a properly authorized change of the designated voter shall be received by the Cooperative.

Section 6. Quorum. Twenty percent (20%) of the active members shall constitute a quorum at any properly called annual or special membership meeting, except where a different number or percentage is specifically required by law, the Cooperative's Articles of Incorporation or these Bylaws. Members participating by telephone shall be counted as present. If a membership meeting is called and it cannot conduct business due to lack of a quorum, notice of another meeting may be sent, to be held not less than twenty (20) days after the failed meeting and within sixty (60) days of the failed meeting. At that meeting the members present shall constitute a quorum.

Section 7. Action by Written Consent of Members. Whenever under the Charter or Bylaws of the Cooperative or under the laws of the State of Tennessee, the members are permitted or required to take any action, they may take such action without a meeting, upon the written consent of a majority of the members who would have been entitled to vote upon such action if a meeting had been held setting forth their consent to take such action without a meeting and the action taken and signed by a majority of the members entitled to vote thereon. Notice of such action shall be promptly mailed to all members.

Section 8. Conference Telephone Proceedings. Members may participate in a meeting by means of a conference, telephone or other communications equipment and participation in a meeting pursuant to this section shall constitute presence at such meeting.

ARTICLE IV.

DIRECTORS AND OFFICERS

Section 1. Number and Qualification of Directors. The affairs of the Cooperative shall be managed by a Board of Directors consisting of not less than five (5) directors in number, who

shall be elected by the members from their own number. The Board of Directors shall fix the number of directorship positions available. The Board of Directors may, by adoption of a resolution, establish geographic districts to which directorship positions are allocated. If the Board of Directors so establishes geographic districts by resolution, one director shall serve for a geographic district and he or she must be a member of the Cooperative from such geographic district.

Any directorship vacancy created by an increase in the number of directorship positions shall be filled as a vacancy on the Board of Directors and thereafter shall be subject to election as provided in Section 4 of Article IV and then Section 2 of Article IV.

No person shall be eligible to be a director if that person is in competition with the Cooperative. If a majority of the Board of Directors of the Cooperative finds, at any time following a hearing, that any director is so engaged or has a conflict of interest, that person shall thereupon cease to be a director.

Section 2. Election of Directors. At the first annual meeting of the members of the Cooperative coinciding with or next following the expiration of the initial directors' terms, directors shall be elected to succeed the initial directors named in the Cooperative's Articles of Incorporation.

Section 3. Election of Officers. The Board of Directors shall elect from their number a president and one or more vice presidents. They shall also elect a secretary and a treasurer, who need not be directors or members of the Cooperative or directors.

Officers shall hold office until the election and qualification of a successor, unless earlier removed by death, resignation, or for cause.

Section 4. Vacancies. When a vacancy on the Board of Directors occurs, the remaining members of the board, by a majority vote, shall fill the vacancy until the next regular meeting of the members.

If one or more officer positions become vacant, such offices shall be filled by the Board of Directors, through election at either a regular or special meeting of the board, or by written consent of the directors.

Section 5. Regular Board Meetings. In addition to the meetings mentioned above, regular meetings of the Board of Directors shall be held at such times and at such places as the board may determine.

Section 6. Special Board Meetings. A special meeting of the Board of Directors shall be held whenever called by the president or by a majority of the directors. Each call for a special meeting shall be in writing, shall be signed by the person or persons calling the meeting, shall be

addressed and delivered to the secretary and shall state the time and place of such meeting.

Section 7. Notice of Board Meetings. Written notice of each meeting of the Board of Directors shall be given each director by, or under the supervision of, the secretary of the Cooperative not less than three (3) days prior to the time of the meeting. However, such notice may be waived by all the directors, and their appearance at a meeting shall constitute a waiver of notice. "Written notice" includes notice given electronically.

Section 8. Quorum. A majority of the Board of Directors shall constitute a quorum at any meeting of the board.

Section 9. Reimbursement and Compensation. The Cooperative shall reimburse directors and officers for all reasonable expenses incurred in carrying out their duties and responsibilities. The compensation, if any, of the members of the Board of Directors and officers shall be determined by the board subject to revision by the members of the Cooperative at any annual or special meeting of the Cooperative.

Section 10. Removal of Officers and Directors. (a) Any member may bring charges against an officer or director by filing them in writing with the secretary of the Cooperative, together with a petition signed by five percent (5%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the Cooperative and, by vote of a majority of the members approving the removal, the Cooperative may remove the officer or director, and the vacancy created shall be filled as provided in these Bylaws. The officer or director against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against the officer or director shall have the same opportunity.

(b) A director may be removed by a majority of the Board of Directors without member approval in the event that such director shall fail to participate via telephone conference or attend at least two (2) consecutive meetings of the Board. In the event of such removal, such directorship position occupied by the director removed shall be treated as vacant for purposes of Section 4 of Article IV.

Section 11. Referendum of Policy Matters. Upon demand of one-third (1/3) of the entire Board of Directors, made immediately and so recorded at the same meeting at which the original motion was passed, any policy that has been approved or passed by the board must be referred to the entire membership for decision at the next special or regular meeting; and a special meeting may be called for that purpose.

Section 12. Conference Telephone Proceedings. Members of the Board may participate in a meeting of such board by means of conference, telephone or similar communications equipment and participation in a meeting pursuant to this section shall constitute presence at such meeting.

ARTICLE V.

DUTIES OF DIRECTORS

Section 1. Management of Business. The Board of Directors shall have general supervision and control of the business and the affairs of the Cooperative and shall make all rules and regulations, not inconsistent with law, the Articles of Incorporation or Bylaws, for the management of the business and the guidance of the members, officers, employees (if any) and agents of the Cooperative.

Section 2. Employment of Agents. The board may authorize the employment of such employees, agents, and counsel as it from time to time deems necessary or advisable in the interest of the Cooperative.

Section 3. Bonds and Insurance. The Board of Directors shall require the officers, agents, and employees charged by the Cooperative with the responsibility for the custody of its funds or negotiable instruments to deliver adequate bond for the faithful performance of such person's duties and obligations. Such bonds, unless a cash bond is given, shall be furnished by a responsible bonding company and approved by the Board of Directors, and the cost thereof shall be paid by the Cooperative. The board shall determine the adequacy of the required bond.

Section 4. Accounting System and Audits. At least once in each year, the Board of Directors shall secure the services of a certified public accountant, who shall make a careful audit of the books and accounts of the Cooperative and render a report in writing thereon, which report shall be submitted to the directors and the general manager of the Cooperative and made available to the members of the Cooperative. The report shall include at least a balance sheet showing the true assets and liabilities of the Cooperative and an operating statement for the fiscal period under review.

Section 5. Marketing and Service Agreements. The Board of Directors shall have the power to contract with third parties to carry out for and on behalf of the Cooperative the Membership and Marketing Agreements of the Cooperative with its members, to market the members' cotton, and to provide administration and other services to the Cooperative and its members. The companies most qualified to perform such services are usually also engaged in the cotton business for their own account. The Cooperative's employment of such a company to provide services for the Cooperative and/or its members shall be a waiver by the Cooperative and its members of any conflict of interest arising because the service provider is also engaged in the cotton business.

Section 6. Depository. The Board of Directors shall select one or more banks to act as depositories of the funds of the Cooperative and determine the manner of receiving, depositing, and dispersing the funds of the Cooperative in the form of checks and the person or persons by whom they shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

Section 7. Committees. The board may at its discretion, appoint from its own

membership an executive committee consisting of at least three (3) members and determine their tenure of office and their powers and duties. The board may delegate to the executive committee all or any stated portion of the functions and powers of the board permitted by law, subject to the general direction, approval, and control of the board. Copies of the minutes of any meeting of the executive committee shall be mailed to all directors within seven (7) days following such meeting.

The Board of Directors may, at its discretion, appoint such other committees as it deems appropriate.

ARTICLE VI.

DUTIES OF OFFICERS

Section 1. Duties of President. The president (1) shall preside over all meetings of the Cooperative and the Board of Directors; (2) may call special meetings of the Board of Directors; (3) shall appoint such committees as the Board of Directors may deem advisable for the proper conduct of the Cooperative; and (4) perform all acts and duties usually performed by a presiding officer. The president shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. Duties of Vice President. In the absence or disability of the president, the vice president shall perform the duties of the president, provided, however, that in the case of death, resignation, or disability of the president, the Board of Directors may declare the office vacant and elect any eligible person president.

Section 3. Duties of Secretary. A secretary shall keep a record of all meetings of the Cooperative and the Board of Directors and shall have general charge and supervision of the books and records of the Cooperative. The secretary shall sign papers pertaining to the Cooperative as authorized or directed by the Board of Directors. The secretary shall serve all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. The secretary shall make all reports required by law; and shall perform such other duties as may be required by the Cooperative or the Board of Directors. Upon the election of a successor, the secretary shall turn over all books and other property belonging to the Cooperative.

Section 4. Duties of Treasurer. The treasurer shall be responsible for the keeping and dispersing of all monies of the Cooperative, and shall keep accurate books of accounts of all transactions of the Cooperative. The treasurer shall perform such duties with respect to the finances of the Cooperative as may be prescribed by the Board of Directors. At the expiration of his/her term of office, the treasurer shall promptly turn over to the successor all monies, property, books, records and documents pertaining to his/her office or belonging to the Cooperative.

ARTICLE VII.

OPERATION AT COST AND MEMBERS' CAPITAL

Section 1. Operation at Cost. The Cooperative shall at all times be operated on a Cooperative service-at-cost basis for the mutual benefit of its member patrons.

Section 2. Margin Cap Allocation. In order to induce patronage and to assure that this Cooperative will operate on a service-at-cost basis in all its transactions, the Cooperative shall account on a patronage basis to all patrons on an annual basis for all amounts received from business conducted with patrons on a patronage basis, over and above the cost of providing such services and making reasonable additions to reserves. Such allocation shall be on the basis of the volume of product marketed through the Cooperative.

The Cooperative is hereby obligated to pay all such amounts, if any, to the patrons in cash or by credits to a capital account of each member patron.

Section 3. Per-Unit Retains.

(a) Each Member agrees that the Cooperative may deduct up to \$5.00 for every bale of cotton for delivered to and accepted by the Cooperative from the proceeds otherwise payable to Member from the sale of such bale. For this purpose, the Cooperative shall maintain a separate accounting for each member, such accounting to be entitled the "Equity Account." The retained amounts (herein referred to as "Per-Unit Retains") shall be credited, when deducted, to the applicable Member's Equity Account, and the Equity Account shall be reduced and offset against amounts that the Member shall have received from the Cooperative in excess of the amount due such Member from the Cooperative.

(b) The Per-Unit Retains shall be returned to the Members at such times and in such amounts as the Board of Directors of the Cooperative may determine, in its sole discretion, after making a determination that, following such payment of Per-Unit Retains, the Cooperative shall have sufficient funds to continue to operate in the ordinary course of business, provided, however, that if the Per-Unit Retains are to be repaid to any Member for a taxable year of the Cooperative, then all such Members who have Per-Unit Retains for that taxable year of the Cooperative shall be paid their Per-Unit Retains.

Section 4. Records and Documentation. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of Per-Unit Retains, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the Equity Account of each member.

If Per-Unit Retains have been retained, the Cooperative shall, within eight (8) months after the close of each fiscal year, notify each member of the Per-Unit Retains so credited to the member's account. The notice shall be in the form of a written notice of allocation or a per-unit retain certificate (as those terms are used in Subchapter T of the Internal Revenue Code of 1986, as amended) or other appropriate written document. The board shall have discretion to issue such

notices and certificates in either "qualified" or "non-qualified" form as permitted by the Internal Revenue Code and other applicable law.

ARTICLE VIII.

CONSENT

Each person who applies for and is accepted to membership in this Cooperative shall, by such act alone, consent to the inclusion in income of the amount of any distributions with respect to his patronage which are made in qualified written notices of allocation or qualified per-unit retain certificates (as defined in 26 U.S.C. § 1388 or other applicable law), and which are received by him from the Cooperative, at their stated dollar amounts in the manner provided in 26 U.S.C. § 1385(a) or other applicable law in the taxable year in which such written notices of allocation and per-unit retain certificates are received by him.

ARTICLE IX.

NON-MEMBER BUSINESS

Cooperative may conduct business with non-members on either a patronage or a non-patronage basis.

ARTICLE X.

NON-PATRONAGE INCOME

The non-patronage income of the Cooperative shall be its gross receipts derived from all sources which under applicable state and federal laws does not qualify as patronage income, plus all expenses properly attributable to the production of such non-patronage sources income and all income taxes payable on such receipts by the Cooperative. Non-patronage income shall be used on behalf of the Cooperative and its members in accordance with such lawful purposes, including assignment to an unallocated reserve account and allocation in whole or in part to members, as may be determined by the Board of Directors.

ARTICLE XI.

LOSSES

Section 1. Patronage Losses. In the event the Cooperative suffers a loss during any year on business conducted with or for patrons, the Cooperative will trace the deficit or loss to the patrons whose business give rise to it and will take what ever steps are necessary to recover such losses or deficits from those patrons.

Section 2. Non-Patronage Losses. If in any fiscal year the Cooperative shall incur a loss other than on patronage operations, such loss may be charged against any reserve accumulated from non-patronage earnings in prior years.

Section 3. General Provisions. The board shall have no authority to make assessments against members.

This section shall not be construed to deprive the Cooperative of the right to carry backward or forward losses from any source whatsoever in accordance with the Internal Revenue Code or state taxing statutes.

ARTICLE XII.

DISSOLUTION AND PROPERTY INTEREST OF MEMBERS

Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid and all capital furnished through patronage shall have been retired without priority on a pro rata basis, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member or former member bears to the total patronage of all such members insofar as practicable, unless otherwise provided by law.

ARTICLE XIII.

INDEMNIFICATION

The Cooperative shall indemnify its officers, directors, employees (if any) and agents to the fullest extent allowed by law and the provisions of Tenn. Code Ann. §§ 48-58-502, 48-58-503, as they may be amended from time to time.

The Cooperative may purchase liability insurance coverage for any person serving as an officer, director, employee (if any) or agent to the extent permitted by applicable State law.

ARTICLE XIV.

AMENDMENTS

If notice of the character of the amendments proposed has been given in the notice of meeting, these Bylaws may be altered or amended in any regular or special meeting of the members, by the affirmative vote of a majority of the members present or voting by proxy. If all members have given the Board of Directors authority to amend the Bylaws, then two-thirds (2/3) of the Board of Directors may amend the Bylaws.

Adopted by unanimous written consent of the incorporators and initial members, effective as of the date of filing the Articles of Incorporation, and amended February 26, 2016 to reword ARTICLE IV, Section 1.

Secretary

**CERTIFICATE OF AMENDMENT
TO BY-LAWS**

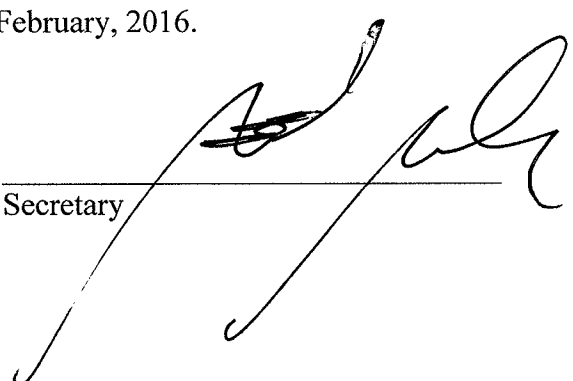
The undersigned certifies that on February 26, 2016, by vote of the Board of Directors (who were empowered by all members to amend the By-Laws, see the Membership & Marketing Agreement, Paragraph 13), By-Law ARTICLE IV, Section 1 was amended to delete the following underlined words:

Section 1. Number and Qualification of Directors. The affairs of the Cooperative shall be managed by a Board of Directors consisting of not less than five (5) directors in number, who shall be elected by the members from their own number, except as provided in T.C.A. §43-16-116(c).

A majority of the directors who are members may elect one director who is not a member who shall represent the public pursuant to T.C.A. §43-16-116(c).

WITNESS MY HAND as of the 26th day of February, 2016.

Secretary

A handwritten signature in black ink is written over a horizontal line. The signature is cursive and appears to be the name of the Secretary.