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AMENDMENT TO ARTICLES OF INCORPORATION
OF
FARMERS COOPERATIVE ELEVATOR COMPANY
Earlham, Iowa

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BE IT REMEMBERED that at the annual meeting of the stockholders of Farmers Cooperative Elevator Company, Earlham, Iowa, held at the Earlham Community School, Earlham, Iowa, on the 26th day of September, 1987, pursuant to its Articles of Incorporation and Bylaws, and after due and timely notice, including notice of the proposed Amended and Substituted Articles of Incorporation, as submitted herewith, and at which meeting the requisite number of members were represented, the Amended and Substituted Articles of Incorporation submitted herewith were adopted by the members of this association as hereinafter set forth:

Total number of members entitled to vote was	<u>555</u>
Total number of members present at meeting or represented by mailed ballots and having voting privileges was	<u>103</u>
Total number of members voting "YES" was	<u>98</u>
Total number of members voting "NO" was	<u>3</u>
Spoiled Ballots	<u>2</u>

The Amended and Substituted Articles of Incorporation submitted herewith, and by this reference made a part hereof, correctly set forth provisions of the Articles of Incorporation as thereby amended and substituted, they have been duly adopted as required by law, and they supersede the original Articles of Incorporation and all amendments thereto.

Wm. R. Ory
Wm. R. Ory, President

Charles W. Hochstetler
Charles W. Hochstetler, Secretary

Fee \$70.00
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BOOK 38 PAGE 104

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MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

AMENDED AND SUBSTITUTED
ARTICLES OF INCORPORATION

OF

FARMERS COOPERATIVE ELEVATOR COMPANY

OF

Earlham, Iowa

To The Secretary of The State of Iowa:

Pursuant to the provisions of Chapter 499, Code of Iowa, as amended, the undersigned Cooperative Association adopts the following amended and substituted Articles of Incorporation, hereby revoking its Articles of Incorporation and Amendments thereto heretofore filed:

ARTICLE I

NAME AND ADDRESS

The name of this cooperative association is Farmers Cooperative Elevator Company. The address of its principal office is Earlham, Iowa; but this association may have other offices and places of business as the board of directors may deem advisable.

ARTICLE II

OBJECTIVES

The objectives and purposes of this association shall be buying, selling and handling of grain, coal, lumber, petroleum products, livestock, implements, and all other farm products and supplies; also, the operation of flour and feed mills and the purchase and sale of products thereof; also, to grade, blend, preserve, process, store, warehouse, market, sell or handle any agricultural products, also to act in the capacity of a general commission house to purchase, erect, operate, maintain and control warehouses, elevators, mills, and buildings of every description and to acquire, retain, sell, convey, lease, mortgage, encumber and improve such real estate, buildings and personal property as the business of the company may require or as may be convenient for its operations, also to prepare and publish such statements, bulletins, or

periodicals as it may desire; and to do all other acts, not contrary to the statutes of the State, as shall be convenient or necessary to the proper carrying out of the purposes herein stated.

ARTICLE III

POWERS

Except as expressly limited in these articles, this association shall have power to do anything permitted by the Statutes of the State of Iowa as they relate to cooperative associations, and particularly those powers enumerated in Chapter 499, Code of Iowa, as amended.

ARTICLE IV

DURATION

The duration of this corporation shall be perpetual.

ARTICLE V

DIRECTORS

§1. The affairs of the association shall be conducted by a board of seven directors to be elected by the Class A Common stockholders from their own number at the annual business meeting as hereinafter provided.

§2. Upon the expiration of the terms of the directors so elected, their successors shall be elected for terms of three years, which shall be so determined that two directors shall be elected in each of two years and three directors in the third year. Directors shall hold office until successors shall have been elected and qualified and entered upon the discharge of their duties.

§3. Every director must at all times be and remain a Class A member and the office of any ceasing to be such

shall forthwith become vacant. Any director appointed to a vacancy shall be appointed to fill the unexpired term.

§4. The directors shall annually from their own number elect a president, vice-president, secretary, and treasurer. The office of the secretary and treasurer may be combined, and the incumbent shall then be known as secretary-treasurer.

§5. All conveyances of real property made by the corporation shall be executed by the president (or in his or her absence or disability by the vice-president) and countersigned by the secretary and all releases of mortgages, liens, judgments or other claims that are required by law to be made of record may be executed by the president, vice-president or secretary of the corporation.

ARTICLE VI

MEMBERSHIP

§1. Only farm operators engaged in the production of farm products, or who consume or use supplies handled or services rendered by this association and landlords who receive a share of agricultural products as rent, shall be eligible to own and hold Class A Common stock in this corporation.

§2. All other patrons of this company who desire to obtain the benefits of the company (except the right to vote and the right to hold office), shall be required to own or acquire one share of Class B non-voting Common stock.

§3. Any eligible farmer or producer as defined in paragraph 1 hereof may become a member of this association upon acceptance by the Board of Directors of an application for one share of Class A Common stock made by him or her to the Board and upon issuance to him or her of a share of Class A Common stock in this association, provided, that such an eligible farmer or producer whose subscription for such Class A stock has been accepted by the Board of Directors and who has made payment on a subscription and has given a note for the balance, acceptable to the Board of Directors, may be accorded all of the privi-

leges of members, except the right to hold office, and except those rights and privileges reserved to the holders of any class of Preferred stock.

§4. Any consumer of the supplies handled or services rendered by this association, who is not a farmer or producer as defined in paragraph 1 hereof, may become a member of this association, entitled to the privileges of Class B Common stockholders, upon acceptance by the Board of Directors of his or her application for one share of Class B Common Stock made to the board and upon the issuance to him or her of a share of the Class B Common stock in this association, provided, that such a consumer whose application for membership has been accepted by the Board of Directors and who has made payment on a subscription, and has given a note for the balance, acceptable to the Board of Directors, may be accorded all of the privileges of a Class B Common stockholder.

§5. The directors may expell any member if he or she has attempted to transfer his or her Common stock in violation of these articles, or if he or she has willfully violated any article or bylaw which provides for such penalty.

§6. If a Common stockholder or member dies, or becomes ineligible, or is expelled, his or her Common stock or membership shall forthwith be canceled; or if he or she ceases to patronize this association for two consecutive years, his or her Common stock or membership may be cancelled. In cases of expulsion, the association shall pay the Common stockholder or member its value as shown by the books on the date of cancellation, but not more than its original issuing price, within sixty (60) days thereafter. In cases of death, or ineligibility, it shall pay such value to the stockholder or member or the personal representative of such stockholder or member within two years thereafter, without interest.

§7. In the event that a member seeks to withdraw voluntarily and the Board accepts such withdrawal, the association shall pay said member the value of the member's common stock or membership, but not more than its issuance price, within two years thereafter, but without interest.

§8. The death, expulsion, or withdrawal of a member shall not impair his contracts, debts or obligations to the association.

ARTICLE VII

DISTRIBUTION OF EARNINGS AND SAVINGS

§1. The directors shall annually dispose of the earnings of the association in excess of its operating expenses as follows:

A. Provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses.

B. At least ten per cent (10%) of the remaining earnings must be added to surplus until surplus equals either thirty per cent (30%) of the total of all capital paid in for stock or memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from non-member business, and earnings arising from earnings of other cooperative organizations of which the association is a member, or one thousand dollars (\$1,000), whichever is greater. No additions shall be made to surplus when it exceeds either fifty per cent (50%) of the total, or \$1,000, whichever is greater.

C. No less than one per cent (1%) nor more than five per cent (5%) of such earnings in excess of reserves may be placed in an educational fund, to be used as the directors deem suitable for teaching or promoting cooperation.

D. After the foregoing, to pay fixed dividends on stock or membership, if any.

E. Notwithstanding the Articles of Incorporation of any association, for each taxable year of the association beginning after December 31, 1962, all remaining net earnings shall be allocated to the account of each member, including subscribers described in §499.16, ratably in proportion to the business the member did with

the association during that year. The directors shall determine, or the Articles of Incorporation or Bylaws of the association may specify, the percentage or the amount of the allocation that currently shall be paid in cash. However, so long as there are unpaid local deferred patronage dividends of deceased members for prior years, the amount currently payable in cash shall not exceed twenty per cent (20%) of the allocation. All the remaining allocation not paid in cash shall be transferred to a revolving fund and credited to the members and subscribers. The credits in the revolving fund are referred to in these articles as deferred patronage dividends.

§2. Deferred patronage dividends of subscribers whose stock is not fully paid shall be applied upon the balance due on such stock until it is paid in full (provided that subscriptions not fully paid within two years may be canceled and all patronage dividends applied thereon shall revert to the surplus of the Corporation).

ARTICLE VIII

USE OF REVOLVING FUND

§1. The directors may use the revolving fund to pay the obligations, or add to the capital of the association, or retire its Preferred stock. In that event, the deferred patronage dividends credited to members constitute a charge on the revolving fund, on future additions to the revolving fund, and on the corporate assets, subordinate to existing or future creditors and Preferred stockholders.

§2. Deferred patronage dividends for any year have priority over those for any subsequent years. However, prior to other payments of deferred patronage dividends, or redemption of preferred stock held by members, the directors shall pay local deferred patronage dividends and redeem local deferred patronage Preferred stock of deceased natural persons who were members, and may pay deferred patronage dividends, or may redeem Preferred stock of

deceased natural persons who were members or of members who become ineligible, without reference to the order of priority.

§3. Subject to the laws of the State of Iowa and these Articles, the directors may issue credits toward the purchase of Preferred stock, certificates of interest and certificates of indebtedness from the deferred patronage dividends credited as provided in §1 E, Article VII, which credits or certificates may be transferable or nontransferable as determined by the Board of Directors; provided that such credits issued shall not mature until the dissolution or liquidation of this association, but shall be callable by this association at any time.

§4. Subject to the laws of the State of Iowa and these Articles, the order of priority of retirement of Preferred stock, certificates of interest, and certificates of indebtedness shall be a matter for the uncontrolled discretion of the Board of Directors of this association.

ARTICLE IX

DISTRIBUTION IN LIQUIDATION

On dissolution, or liquidation, the assets of the association shall first pay the liquidation expenses, next the obligations other than patronage dividends or certificates issued therefor; and the remainder shall be distributed in the following priority.

§1. The holders of Preferred stock shall then be entitled to be paid in full the par value of their shares, together with any dividends accrued thereon subject to the provision for cancellation in Article X, §12 hereof. If the fund is insufficient to pay the Preferred stockholders in full, it shall be paid in full to Class A Preferred stockholders to the extent available; and finally to Class B Preferred stockholders to the extent available. If the fund is insufficient to pay any of the above classes of stock in full, it shall be prorated to said Preferred

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stockholders in such Class in proportion to the amount of Preferred stock held by each.

§2. Next, the holders of deferred patronage dividends, or certificates issued therefor, shall be paid in full for the par value of their certificates together with all unpaid interest which has accrued on such certificates, if any, if the fund is insufficient to pay the certificates in full and interest accrued thereon, it shall be prorated to the holders of said certificates in proportion to the amount of the certificates held by each stockholder.

§3. Next, any revolving fund deductions and accrued patronage dividends or certificates and credits issued therefor shall be paid. If the fund is insufficient to pay all such deductions, accrued patronage dividends and/or certificates and credits issued therefor, it shall be prorated regardless of the priorities specified in these articles.

§4. Any remaining assets shall be distributed among the holders of Class A and Class B Common stock ratably until the full payment of the par value of said Class A and Class B Common stock has been made, without priority as to either class of stock.

§5. If there be any remaining assets, they shall be distributed among the Class A Common stockholders and Class B Common stockholders at the date of dissolution or liquidation in proportion to the patronage dividends credited to their respective accounts during the ten (10) fiscal years preceeding the year of dissolution or liquidation, and if there be no such interest remaining unpaid, then in proportion to the value of business that each member has transacted with this association during the ten (10) fiscal years preceeding the year of dissolution or liquidation.

ARTICLE X

CAPITAL STOCK

The authorized capital stock of this corporation shall be \$2,010,000.00 divided into classes and numbers of shares as follows:

<u>Class of shares</u>	<u>Number</u>	<u>Par Value</u>
Preferred Stock:		
Class A Preferred	1,000,000 shares	\$ 1.00
Class B Preferred	1,000,000 shares	\$ 1.00
Common:		
Class A [Voting] Common	800 shares	\$ 10.00
Class B [Non-Voting] Common	200 shares	\$ 10.00

The issuance, rights, limitations, conditions and restrictions pertaining to the stock of this association shall be alike as to all stock of the same class and shall be as follows:

§1. All shares of stock will be evidenced by stock certificates and will be issued as the Board of Directors, from time to time, determines, but for not less than par value nor until fully paid; and the Secretary of this association shall keep a stock register showing the ownership of all outstanding shares of stock, and the address of each stockholder as each stockholder shall have provided.

§2. No member shall hold more than one share of Common stock nor be entitled to more than one vote at any stockholders' meeting. Neither Class A nor Class B Common stock shall be transferable, and this corporation may require surrender of the certificate prior to payment or refund in the event of cancellation of a stockholder's membership.

§3. Class A Common stock shall be issued only to agricultural producers eligible for membership as defined in Article VI § 1 hereof. In the event a Class A Common stockholder ceases to be an agricultural producer as so defined, stockholder's Class A Common stock shall be canceled and if stockholder is still a patron of the corporation, stockholder may be issued a share of Class B Common stock.

§4. In the event that a member becomes ineligible or is expelled as provided in Article VI, § 6, hereof, no no-

tice need be given said member; and the share of Class A or Class B Common stock shall be canceled on the books of the corporation and shall return to the status of authorized but unissued shares.

§5. Only holders of Class A Common stock shall be entitled to vote. Class B Common stock shall have no voting rights.

§6. No fixed dividends shall be paid on either Class A or Class B Common stock, and such Class A or Class B Common stockholders shall participate in the earnings of the corporation only by allocation of patronage dividends as provided in Article VII § 1E hereof.

§7. Preferred Stock shall be issued in such amounts and at such times as the directors may determine. Preferred stock shall have no voting rights, nor shall said shares bear any dividends, except as may be provided herein. Preferred stock may be issued to discharge obligations incurred in purchases and as provided in Section 499.25, Code of Iowa, as amended.

§8. Preferred stock of this corporation may be redeemed in whole or in part, either in order of issue by years or numerically; pro-rata; or any combination of methods to be determined by the directors, fair to all stockholders. Provided, however, prior to any other payment of deferred patronage dividends or redemption of Preferred stock held by members, the Directors shall pay local deferred patronage dividends and redeem local Preferred stock of deceased natural persons who were members and may pay deferred patronage dividends or redeem Preferred stock of members who become ineligible, without reference to priority. Such Preferred shares may be reissued or retired at the discretion of the directors, but unless specified to the contrary, such shares shall be deemed to return to the status of authorized but unissued shares.

§9. Notice of redemption of shares shall be mailed to the record holders of such Preferred stock at their addresses shown on the stock register of this corporation. Thirty (30) days after such notice, said stock shall be canceled on the books of this corporation.

§10. Class A Preferred Stock may be issued in exchange for local deferred patronage dividends, or Preferred Stock issued for such dividends. Class B Preferred Stock may be issued for deferred patronage dividends other than local deferred patronage dividends, or Preferred Stock issued for such dividends.

§11. In the event of a writedown, revaluation, or cancellation of this corporation's equity in other organizations, the Board of Directors, may, in their sole discretion, cancel each stockholder's Preferred Stock in this corporation up to a total dollar par value equalling the amount of deferred patronage, other than local deferred patronage dividends, for which such Preferred Stock was issued, represented by such writedown, revaluation, or cancellation.

§12. In the event this association should sustain an operating loss in any year, the Board of Directors may prescribe an equitable basis by which such loss can, to the extent practicable, be charged to the equity of members of this association for such loss year. If in any year this association should sustain a loss other than an operating loss, or a write-down, revaluation, or cancellation of its equity in other organizations, the Directors have full authority to prescribe an equitable basis on which the capital furnished by members may be reduced, including, but not limited to cancellation of preferred stock; or the Directors may make such other equitable apportionment of such loss to the equity of the members as the Directors shall determine in accordance with sound cooperative accounting practices.

§13. Upon cancellation or redemption of any shares of stock, or upon declaration of a dividend on Preferred Stock, this corporation shall establish an account for payment of the amount due the stockholders, if any, and issue drafts thereon as required, mailed by ordinary U.S. Mail to the address on the stock register of this corporation. If any such draft is returned or not cashed within two (2) years of its date, the funds represented thereby become the property of this corporation.

§14. Stockholders or owners of equity of this corporation shall have the sole responsibility of advising the secretary of any change of their address.

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§15. No stock shall be deemed to have been transferred until such transfer has been recorded in the records of this corporation.

§16. This corporation shall have a lien on all stock and equity of its stockholders in this corporation for all indebtedness owed to the corporation.

ARTICLE XI

SEAL

This corporation shall have no corporate seal.

ARTICLE XII

PRIVATE PROPERTY EXEMPT


The private property of the members shall be exempt from corporate liability.

ARTICLE XIII

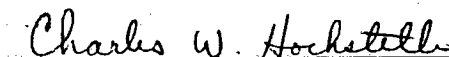
AMENDMENT

This association may amend its Articles of Incorporation by a vote of sixty-six and two-thirds percent of the members present, or represented by mailed ballots, and having voting privileges, at any annual meeting or any special meeting called for that purpose, provided that at least ten days before said annual meeting or special meeting, a copy of the proposed amendment or summary thereof be sent to all members having voting privileges.

Dated this 26th day of September, 1987.



 Wm. R. Ory, President



 Charles W. Hochstetler, Secretary

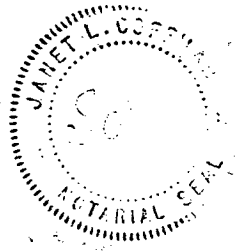
STATE OF IOWA

SS:

COUNTY OF MADISON

On this 26 day of Sept., 1987, before me, a Notary Public in and for the State of Iowa, personally appeared Wm. R. Ory and Charles W. Hochstetler, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary respectively, of said corporation executing the within and foregoing instrument to which is attached, that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Wm. R. Ory and Charles W. Hochstetler as such officers acknowledged the execution of the same to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Janet L. Coffman
Notary Public in and for the
State of Iowa



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OFFICE OF THE SECRETARY OF STATE DES MOINES, IOWA			
This instrument recorded in Book	—	Page	— <u>October 12</u> 19 <u>87</u>
Expires	<u>Perp.</u>	Cert No	<u>078662</u> Receipt No
Filed by	<u>Paul Thuescher, Atty., 8450 Hickman Rd, Ste. 10, Des Moines, Ia.</u>		
Filing Fee	<u>8.00</u>	Recording Fee	<u>Elaine Baxter</u> Secretary of State

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