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1988 JUN 14 AM 8:41

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

MAY 31 1988
By
SECURITY SUPERINTENDENT

1988 JUN -2 PM 2:07
SECRETARY OF STATE

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
FARMERS AND MERCHANTS STATE BANK

Fee $15.00 paid

Pursuant to the provisions of Section 1501 of the Iowa Banking Act, the undersigned state bank adopts the following Articles of Amendment to its Articles of Incorporation:

I

The name of the state bank is Farmers and Merchants State Bank. The location and post office address of its principal place of business is 101 W. Jefferson, Winterset, Iowa 50273.

The effective date of its Renewed, Amended and Substituted Articles of Incorporation was the 27th day of October, 1975.

II

The following amendment to the Articles of Incorporation was adopted by the shareholders of the state bank:

ARTICLE X

DIRECTORS' NONLIABILITY AND INDEMNIFICATION

1. Nonliability. A director of this bank shall not be personally liable to the bank or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the directors' duty of loyalty to the bank or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) for any transaction from which the director derived an improper personal benefit, or (iv) under Subsections 1 and 2 of Section 524.605 of the Code of Iowa. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the bank for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If Iowa law is hereafter changed to permit further elimination or limitation of the liability of directors for monetary damages to the bank or its shareholders, then the liability of a director of this bank shall be eliminated or limited to the full extent then permitted. The directors of this bank have agreed to serve as directors in reliance upon the provisions of this Article.

2. Indemnification. The bank shall indemnify a director of this bank, and each director of this bank who is serving or who has served, at the request of this bank, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent possible against expenses, including attorneys' fees, judgments, penalties, fines, settlements and reasonable expenses, actually incurred by such director or person relating to his conduct as a director of this bank or as a director, officer, partner, trustee, employee or agent of another

corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply (i) to a breach of a director's duty of loyalty to the bank or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) for a transaction from which a director derived an improper personal benefit, (iv) under Subsections 1 and 2 of Section 524.605 of the Code of Iowa, or (v) against judgments, penalties, fines and settlements arising from any proceeding by or in the right of the bank, or against expenses in any such case where such director shall be adjudged liable to the bank.

III

The foregoing amendment was adopted at a shareholders' meeting held at Winterset, Iowa, on the 12th day of January, 1988, at 1:00 P.M. Notice of said shareholders' meeting was given to all shareholders on December 21, 1987, by ordinary mail in the following form:

> "The Annual Meeting of the stockholders of the Farmers and Merchants State Bank will be held in the Community Room at the main office at 101 W. Jefferson, Winterset, Iowa, on Tuesday, January 12, 1988, starting at 1:00 P.M. The purpose of the meeting will be to elect a Board of Directors for the coming year, consideration of a Resolution adopted by the Board of Directors to amend the Articles of Incorporation of the Bank, a copy of which is attached hereto, and transacting other annual business matters."

A copy of the resolution adopted by the Board of Directors on December 14, 1987, setting forth such amendment was included with the notice of mailing to the shareholders as required by Iowa Code Section 524.1502(2).

IV

The number of shares of the state bank outstanding at the time of such adoption was 16,000, and the number of shares entitled to vote thereon was 16,000.

V

The number of shares voted for such amendment was 14,589; and the number of shares voted against such amendment was none.

Dated: May 25, 1988.

FARMERS AND MERCHANTS STATE BANK

By _____
James W. Mease, President and Secretary

FARMERS & MERCHANTS STATE BANK
CORPORATE SEAL
WINTERSET, IA

833

STATE OF IOWA :
: ss
MADISON COUNTY:

On this 25 day of May, 1988, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared James W. Mease, to me personally known, who, being by me duly sworn, did say that he is the President and Secretary, respectively, of said corporation executing the within and foregoing instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signedon behalf of said corporation by authority of its Board of Directors; and that the said James W. Mease, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.

Jerrold B Oliver
Notary Public in and for the State of Iowa

JERROLD B. OLIVER
MY COMMISSION EXPIRES
August 26, 1988

OFFICE OF THE SECRETARY OF STATE
DES MOINES, IOWA

This instrument recorded on Book — Page — June 2, 1988
Expires Perp. Fee C09757 No
Filed by Jerrold B. Oliver, Atty., P.O Box 230, Winterset, Ia. 50273
Filing Fee $5.00 Recording Fee Secretary of State