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ARTICLES OF MERGER

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Delaware By Donald J. Summ

DEC 27 2000

Pursuant to Iowa Code Sections 490.1101, 490.1105, 524.1401 and 524.1402, F&M Shares Corp. is hereby merged with and into Farmers & Merchants Savings Bank, with Farmers & Merchants Savings Bank being the resulting state bank.

II

The location and post office address of the principal place of business of Farmers & Merchants Savings Bank is 101 E. Main Street, Manchester, Delaware County, Iowa 52057. The location and post office address of the principal place of business of F&M Shares Corp. is 101 E. Main Street, Manchester, Delaware County, Iowa 52057.

The location and post office address of the office maintained by Farmers & Merchants Savings Bank is as follows: 4000 First Ave NE, Cedar Rapids, Linn County, Iowa 52402.

The location and post office address of the principal place of business of the resulting state bank is 101 E. Main Street, Manchester, Delaware County, Iowa 52057. The resulting state bank will maintain an office at 4000 First Ave NE, Cedar Rapids, Linn County, Iowa 52402.

III

The plan of merger was submitted to the shareholders of Farmers & Merchants Savings Bank at a meeting held on May 16, 2000 at 101 East Main, Manchester, Delaware County, Iowa 52057. There were 33 shares voted in favor of, and no shares voted against the plan of merger, with 33 shares entitled to be voted at the meeting.

The plan of merger was submitted to the shareholders of F&M Shares Corp. at a meeting held on May 16, 2000 at 201 W. Broadway, Eagle Grove, Wright County, Iowa 50533. There were 90,157 shares voted in favor of, and no shares voted against the plan of merger, with 90,157 shares entitled to be voted at the meeting.

IV

The number of directors constituting the Board of Directors of the Resulting Bank shall be seven (7) who shall serve as directors until the next annual meeting of the shareholders or until their successors are elected and qualified. The names and address of the individuals who shall serve as directors are as follows:

<u>Name</u>	<u>Address</u>
Eric C. Anderson	101 E. Main Street, Manchester, IA 52057
Gordon F. Goettsch	101 E. Main Street, Manchester, IA 52057
Jock D. Stevenson	101 E. Main Street, Manchester, IA 52057

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123982 MERG62 \$50.00 BARB

L. Sam Holden

101 E. Main Street, Manchester, IA 52057

Martin L. Dunn

101 E. Main Street, Manchester, IA 52057

Michael W. Dunn

101 E. Main Street, Manchester, IA 52057

Scott A. Dunn

101 E. Main Street, Manchester, IA 52057

V

The Articles of Incorporation of Farmers & Merchants Savings Bank shall continue in full force and effect.

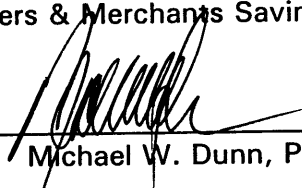
VI

The Agreement and Plan of Merger is attached hereto as Exhibit A.

The foregoing statements are verified by each party to the merger and the resulting state bank.

Dated as of November 21, 2000.

Farmers & Merchants Savings Bank

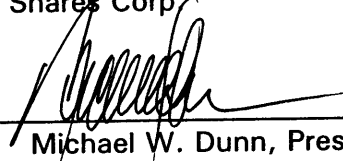
By: 

Michael W. Dunn, President

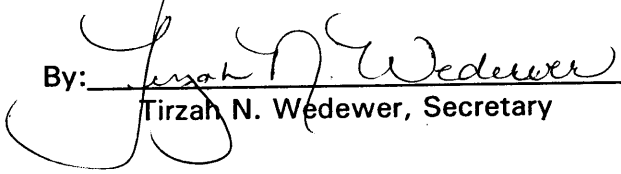
By: 

Diane Hammell, Cashier

F&M Shares Corp

By: 

Michael W. Dunn, President

By: 

Tirzah N. Wedewer, Secretary

State of Iowa

)

)ss

County of Delaware

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On this 21 day of November, 2000, before me, a Notary Public in and for said county and state, personally appeared Michael W. Dunn and Diane Hammell, to me

known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Martys Rees
Notary Public in and for said County and State

State of Iowa)
)ss
County of Delaware)

On this 21 day of November, 2000, before me, a Notary Public in and for said county and state, personally appeared Michael W. Dunn and Tirzah N. Wedewer, to me known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Martys Rees
Notary Public in and for said County and State

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of November 21, 2000 between FARMERS & MERCHANTS SAVINGS BANK (the "Surviving Bank") and F&M SHARES, CORP. (the "Disappearing Corporation").

INTRODUCTION

The Surviving Bank is a state banking corporation duly organized under the laws of the State of Iowa, with its principal office in the City of Manchester, Iowa and the Disappearing Corporation is a bank holding company with its principal place of business in Eagle Grove, Iowa. Disappearing Corporation owns all of the outstanding capital stock of Surviving Bank. Dunn Investment Company (the "Corporation") owns all of the outstanding capital stock of Disappearing Corporation. The Surviving Bank and the Disappearing Corporation desire to merge with the resulting entity being the Surviving Bank and continuing to operate as a state bank.

NOW, THEREFORE, in consideration of the premises, covenants and conditions contained herein, the parties hereby enter into this Agreement.

SECTION 1. The Merger. The Disappearing Corporation shall be merged into and under the Articles of Incorporation of the Surviving Bank pursuant to the provisions of, and with the effect provided in, the Iowa Business Corporation Act and the Iowa Banking Act (the "Merger"). The Surviving Bank shall be the continuing state banking corporation and as of the effective date of the Merger the separate existence of the Disappearing Corporation shall cease.

SECTION 2. Resulting Bank. Upon the Merger becoming effective, the name of the Surviving Bank shall continue to be "Farmers & Merchants Savings Bank" and its Articles of Incorporation and Bylaws shall be the Articles of Incorporation and Bylaws of the Surviving Bank upon the effective date of the Merger. The principal office of the Surviving Bank shall be its currently existing principal office.

SECTION 3. Effect of the Merger. (a) Upon the Merger becoming effective, the corporate existence of the Disappearing Corporation shall be merged into and continued in the Surviving Bank, as provided by the Iowa Banking Act, and the Surviving Bank shall be deemed to be the same corporation as the Disappearing Corporation and the Surviving Bank combined, possessing all the rights, interests, privileges, powers and franchises and being subject to all restrictions, liabilities and duties of each. All and each of the rights, interests, privileges and franchises of the Disappearing Corporation and Surviving Bank and all property, real, personal and mixed, and all debts due to the Disappearing Corporation and Surviving Bank on whatever account, shall be vested in the Surviving Bank without any deed or other transfer and without any order or other action on the part of any court or otherwise; and, all property, rights, privileges, powers, franchises and interests and each and every other interest of the Disappearing Corporation or Surviving Bank shall be thereafter the property of the Surviving Bank. The Surviving Bank, by virtue of the Merger, and without any order or other action on

the part of any court or otherwise, shall hold and enjoy the same and all rights of property, franchises and interests, including appointments, designations and nominations and all other rights and interests as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, guardian of mentally incompetent persons and in every other fiduciary capacity, in the same manner and to the same extent as such rights, franchises and interests were held or enjoyed by the Disappearing Corporation and Surviving Bank immediately prior to the Merger.

(b) Upon the Merger becoming effective, the Surviving Bank shall be liable for all liabilities, obligations and contracts of the Disappearing Corporation and of the Surviving Bank, respectively, matured or unmatured, whether accrued, absolute, contingent or otherwise; and whether or not reflected or reserved against on balance sheets, books of account, or records of the Disappearing Corporation or the Surviving Bank, as the case may be, shall be those of the Surviving Bank, and shall not be released or impaired by the Merger; and, all rights of creditors and other obligees and all liens on property of either the Disappearing Corporation or the Surviving Bank shall be preserved unimpaired.

SECTION 4. Conversion of Securities. Upon the Merger becoming effective:

(a) Each share of common stock of the Disappearing Corporation outstanding at the effective date of the Merger shall be exchanged for one share of stock of the Surviving Bank as a result of the Merger. The shares of the Disappearing Corporation shall be retired and extinguished.

(b) The shares of common stock of the Surviving Bank outstanding immediately prior to the Merger shall continue to be issued and outstanding.

SECTION 5. Directors and Officers. The Board of Directors and officers of the Surviving Bank, upon the Merger becoming effective, shall consist of all persons who are directors and officers of the Surviving Bank immediately before the Merger becomes effective and shall continue in office until their successors are elected and qualified.

SECTION 6. Shareholder Approval. This Agreement will be submitted to the shareholder of the Surviving Bank and the Disappearing Corporation for their ratification and approval of the Merger.

SECTION 7. Conditions Precedent. The Merger is conditioned upon the following:

(a) Approval of the Merger by the shareholders of the Disappearing Corporation and the Surviving Bank; and

(b) Procurement of all necessary regulatory consents and approvals, and satisfaction of all other requirements prescribed by law which are necessary for consummation of the Merger.

SECTION 8. Termination. If any of the following shall occur then this Agreement may be terminated at any time before the Merger becomes effective by the written notice by either the Disappearing Corporation or the Surviving Bank to the other, authorized or approved by resolution adopted by the Board of Directors of one of them giving such notice:

(a) Any action, suit, proceeding or claim has been instituted, made or threatened relating to the proposed Merger which shall make consummation of the Merger inadvisable in the opinion of the Board of Directors of the Surviving Bank; or

(b) Any action, consent or approval, governmental or otherwise, which is in the opinion of counsel for the Surviving Bank, may be necessary to permit or enable the Surviving Bank, upon and after the Merger, to conduct all or any part of the business activities of the Surviving Bank up to the time of the Merger, in the manner in which such activities and businesses are then conducted, shall not have been obtained; or

(c) For any other reason consummation of the Merger is inadvisable in the opinion of the Board of Directors of the Surviving Bank; or

(d) The mutual consent of the Disappearing Corporation and Surviving Bank.

Upon termination by written notice, as provided in this Section 8, this Agreement shall be void and of no further effect, and there shall be no liability by reason of this Agreement or the termination thereof on the part of any of the parties hereto or the directors, officers, employees, agents or shareholders of any of them.

SECTION 9. Effective Date. Subject to the terms and upon satisfaction of all requirements of law and the conditions specified in this Agreement, the Merger shall become effective upon the filing by the Iowa Division of Banking of the Articles of Merger with the Iowa Secretary of State and receipt of the necessary approvals, and the expiration of all waiting periods.

SECTION 10. Miscellaneous.

(a) Any of the terms or conditions of this Agreement may be waived at any time by any party hereto, by action of its Board of Directors, evidenced by a certificate signed by its President or other duly authorized person.

(b) To the extent permitted by law, this Agreement may be amended or supplemented at any time by written consent of all parties.

(c) This Agreement and the instruments referred to herein constitute the entire contract among the parties and supersede all other understandings with respect to the subject matter hereof.

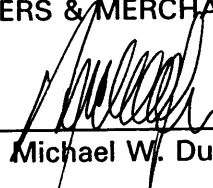
(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same

Agreement, and shall become binding on the parties hereto when one or more counterparts have been signed by each of the parties and delivered to the other parties.

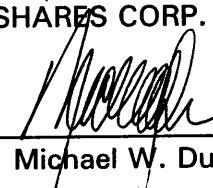
(e) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa.

IN WITNESS WHEREOF, the Disappearing Corporation and the Surviving Bank have caused this Agreement and Plan of Merger to be executed in counterpart by their duly authorized officers as of the date first above written.

FARMERS & MERCHANTS SAVINGS BANK

By: 
Michael W. Dunn, President

F&M SHARES CORP.

By: 
Michael W. Dunn, President

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*Filed by:
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Alan P Kress
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Des Moines, IA 50309-3986
-4- 0673*

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DELAWARE CO. RECORDER
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F+M Sup Bank