

UNION STATE BANK OF WINTERSSET

#1710

Filed for record the 11th day of

To

Fee \$ 5.50

May, 1935 at 10:40 o'clock A.M.

The Public

Valda C. Bishop, Recorder

Pearl E. Shetterly, Deputy

AMENDED and SUBSTITUTED ARTICLES of IN CORPORATION

OF

APPROVED

D.W. RATES

UNION STATE BANK
(Name of Bank)WINTERSSET, IOWA
(City)

Superintendent of banking

IOWA

Apr 26 1935

KNOW ALL MEN BY THESE PRESENTS:

By C.R. Callon,
Legal Clerk

That at a special meeting of stockholders of UNION STATE BANK, Winterset, Iowa, a corporation duly organized under the laws of the State of Iowa, held at the office of the Bank in Winterset, Iowa, on the 25th day of April, A.D. 1935, after due and legal notice had been given to the stockholders thereof in conformity with the provisions of House File 87, Acts of

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the Special Session of the 45th General Assembly, at which the requisite majority of the stock of said corporation was represented, the attached amended and substituted Articles of Incorporation were duly adopted by a majority vote of the stock interests of said Bank, as shown below:

Total number shares of stock outstanding Two hundred fifty
 Total numbers shares of stock represented at this meeting 228
 Total numbers shares of stock voted in favor of the amended and substituted articles of incorporation 228
 The president and cashier of the corporation were duly authorized and directed to sign, acknowledge, record, publish and do all things which are by law required, to execute, complete and carry into effect the following amended and substituted articles of incorporation of said corporation.

ARTICLE I.

Name and Principal Office

The name of the corporation shall be UNION STATE BANK; and the place where its principal banking house or office shall be located, and its operations of discount and deposit carried on, and its general business conducted shall be in the City of Winterset, County of Madison, and State of Iowa.

ARTICLE II

Objects and Powers.

The general nature of the business to be transacted by this Corporation shall be that of a State bank, conducted under the laws of the State of Iowa; and this Corporation hereby assumes and takes to itself all and singular the powers conferred upon State banks by the laws of the State of Iowa, and accepts all the duties and obligations imposed thereby; and to act in a fiduciary capacity as permitted and provided by Chapter 416, Code of Iowa, 1931, and amendments thereto.

ARTICLE III.

Board of Directors and Officers.

SECTION 1. Number and Term. The Board of Directors of this Corporation shall consist of such number of share holders, not less than five (5) nor more than twenty-five (25), as from time to time shall be determined by a majority of the votes to which all of the share-holders are at the time entitled, who shall be elected by the shareholders at their annual meeting, and shall hold office for the term of one (1) year and until their successors are elected and qualified, unless previously removed as hereinafter provided.

SECTION 2. Powers. The Board of Directors shall have the power to define the duties of the officers and clerks of the Corporation, to require bonds from them, and to fix the penalty thereof; to make all by-laws that it may be proper for them to make, not inconsistent with law and these Articles of Incorporation, for the general regulation of the business of the Corporation and the management of its affairs, and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform according to law and within the limits of these Articles of Incorporation.

SECTION 3. Vacancies. Any vacancy in the Board of Directors may be filled by appointment by the remaining members of the Board and the person appointed shall hold office until the next annual meeting of the shareholders and until his successor is elected and has qualified unless previously removed as hereinafter provided. Provided, that unless by reason of any such vacancy or vacancies, the Board is reduced in number to less than the minimum required by law, the remaining members shall constitute the Board of Directors until such vacancy or vacancies are filled by the Board, or by the shareholders at the next annual meeting thereof.

And provided, further, that if by reason of a vacancy or vacancies the number of Directors is reduced to less than the minimum required by law, the remaining member or members must forthwith fill such vacancy or vacancies by appointment of at least sufficient directors necessary to reconstitute the Board with the minimum number required by law.

SECTION 4. Officers. The Board of Directors shall elect one of its members President of

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the Corporation. The Board may designate a Director in lieu of the President to be Chairman of the Board, who shall perform such duties as may be designated by the Board. The Directors shall have power to elect a Vice-President, who shall also be a member of the Board of Directors, and who shall be authorized, in the absence or inability of the President from any cause, to perform all acts and duties pertaining to the office of President except such as the President only is authorized by law to perform, and to elect or appoint a Cashier, and such other officers and clerks as may be required to transact the business of the Corporation; and, subject to the provisions of subparagraphs (1) and (2) of section 13 of article V hereof, to fix the salaries to be paid to them, and to continue them in office or to dismiss them as in the opinion of a majority of the Board the interests of the Corporation may demand.

Until the annual meeting of the shareholders in the year 1936, the following named officers and directors shall manage the affairs of the corporation, unless a successor of any one or more of them shall have been elected or appointed as provided in these articles; to-wit:

DIRECTORS

NAME	POST OFFICE ADDRESS
J.W.Bunker	Winterset, Iowa
Chas. G. Crow	Macksburg, Iowa
H.V.Huntoon	Winterset, Iowa
W.D.Kale	Truro, Iowa
Clyde J. Shearer	Peru, Iowa
Ed. M. Smith	Winterset, Iowa
Chas. D. VanWerden	Winterset, Iowa

NAME	OFFICERS TITLE	POST OFFICE ADDRESS
H.V.Huntoon	President	Winterset, Iowa
W.D.Kale	Vice President	Truro, Iowa
H.L.Paull	Cashier	Winterset, Iowa
N.V.Hollen	Assistant Cashier	Winterset, Iowa

ARTICLE IV.
Meetings of Shareholders.

SECTION 1. Annual Meetings. The regular annual meetings of the shareholders shall be held at the principal office of the corporation on the second Tuesday of January of each year, at which time the share holders shall elect a Board of Directors and transact such other business as may lawfully come before them; but if no annual meeting shall be held on that day then it may be held on any subsequent day in accordance with the provisions of the laws of the State of Iowa and of these articles of incorporation.

SECTION 2. Special Meetings. Except as otherwise specifically provided by statute, special meetings of the shareholders may be called for any purpose at any time by the Board of Directors or by the holders of at least ten per cent (10%) of the then outstanding shares of stock of any class. Every such special meeting shall be called by mailing, not less than five (5) days before the time fixed for the meeting, to all shareholders of record entitled to act and vote at such meeting, at their respective last known addresses as shown on the books of the corporation, a notice briefly stating the purpose or purposes of the meeting and the hour and date that the meeting will be convened and held and the place where it is to be held. Such notice may be waived, and any shareholder attending any such meeting in person or by proxy shall be deemed to have waived notice thereof.

ARTICLE V.
Capital Stock.

capital

SECTION 1. Amount, Classes, and Shares of Capital Stock. The amount of /stock of the corporation shall be \$50,000.00 Fifty Thousand dollars, divided into classes and shares as follows:

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(a) \$25,000.00 Twenty-five Thousand dollars, par value of preferred stock (subject to retirement as hereinafter provided) divided into 250 shares of the par value of \$100.00 One Hundred dollars, each, and

(b) \$25,000.00 Twenty-five Thousand dollars, par value of common stock (subject to increase upon the retirement of preferred stock as provided in the second paragraph of section 4 of this article V) divided into 250 shares of the par value of \$100.00 One Hundred dollars each.

SECTION 2. Assessability of Stock. The holders of preferred stock and the holders of common stock issued after November 30, 1933, shall not be held individually responsible as such holders for any debts, contracts, liabilities, or engagements of the corporation, and shall not be liable for assessments to restore impairments in the capital of the corporation, nor shall such stock be liable to assessment for any purpose. The holders of common stock issued on or prior to November 30, 1933, shall not be held individually responsible as such holders for any debts, contracts, liabilities,

or engagements of the corporation, or liable for assessments to restore impairments in the capital of the corporation, nor shall such stock be subject to assessment excepting only as and to the extent as otherwise provided in House File No. 87, of the Special Session of the 45th General Assembly of the State of Iowa; it being the intention to relieve such last mentioned stockholders from liability as such, and to relieve stock held by them from all liability for assessment, to the full extent as provided and permitted by said House File No. 87 of the Special Session of the 45th General Assembly of the State of Iowa.

SECTION 3. Dividends on Preferred Stock. The holders of preferred stock, in preference to the holders of common stock, shall be entitled to receive, when and as declared by the Board of Directors, out of net profits of the Corporation (determined as provided in section 5 of this article V) accruing after April 25th, 1935 (hereinafter called the recapitalization Date), cash dividends thereon to and including January 31, 1940, at the rate of $3\frac{1}{2}\%$ per annum of the par value thereof, and no more, and thereafter at the rate of 4% per annum of the par value thereof, and no more. Such dividends shall be payable semi-annually on each February 1 and August 1, and shall accrue, as to any given share of such stock, from the date of issuance of such share; Provided, however, That, in the case of any share of such stock issued on or after August 1st, 1935 such dividends shall accrue on such share from the February 1 or August 1, as the case may be, next preceding the date of issuance thereof. Such dividends shall be cumulative, so that if dividends at the full rates per annum required by this section to be paid on the preferred stock shall not have been paid upon or declared and set apart for the preferred stock, the deficiency shall be fully paid or declared and set apart before any dividend or other distribution, whether in cash, property, stock or otherwise, shall be declared, ordered, set apart, paid, or made in respect of the common stock. Dividends on the preferred stock shall be deemed to accrue from day to day.

SECTION 4. Dividends on Common Stock. Dividends or other distributions, whether in cash property, stock or otherwise, shall, so long as any shares of preferred stock are outstanding, be declared, ordered, set apart, paid, or made in respect of the common stock only out of the net profits of the Corporation (determined as provided in section 5 of this article V) accruing after the recapitalization Date: Provided, however, That dividends on the common stock and preferred stock may be paid out of surplus and undivided profits of the Corporation existing at the recapitalization Date or out of any net profits carried to surplus or undivided profits subsequent to said recapitalization Date, if at the date of declaration thereof the common capital of the Corporation as shown by the latest examination of the Corporation by the Superintendent of Banking after charging off losses, shown on the report of such examination and setting up such reserves as may be required by the Superintendent of Banking, is unimpaired and the unimpaired surplus is equivalent at least to 25 per cent of the unimpaired common capital.

The Board of Directors shall have the right to declare on the common stock out of net profits of the Corporation accrued after the recapitalization Date, a dividend or dividends

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payable in the common stock in an amount or amounts not exceeding in the aggregate the par value of the preferred stock retired pursuant to the provisions of Section 8 and 9 of this article V, and the shares of common stock required for the payment of any such stock dividend shall be issuable without any action on the part of the holders of stock of any class or on the part of the Superintendent of Banking, unless such approval is specifically required by law, and provided further that undivided profits or surplus created by retirement of preferred stock pursuant to the provisions of sections 8 and 9 of this article V, shall not be used for the payment of dividends on the common stock in cash or property except with the approval of the Superintendent of Banking.

SECTION 5. Determination of Net Profits. For the purpose of this article V, the net profits or net loss of the Corporation shall be determined for each six months' period ending on December 31 or June 30 by deducting from the gross earnings from all sources for such period:

- (a) All expenses for such period;
- (b) All interest accrued during such period;
- (c) All losses realized during such period, and such charge-offs and write-downs of assets and transfers to reserves (whether from income, undivided profits or surplus) for such period (including all charge-offs, write-downs and transfers to reserves requested by the Superintendent of Banking for such period) as may be reasonably necessary to make proper provisions for doubtful assets, depreciation, and unrealized losses, but to the extent only that such losses, realized or unrealized, charge-offs, and write-downs of assets exceed reserves previously set up therefor in such period of any prior period;
- (d) Provision for all taxes for such period, including taxes measured by income and taxes based on the ownership of stock in the Corporation paid or payable by the Corporation for the account of its share holders, without prejudice to such rights as the Corporation may have to recover the same;
- (e) Such transfers for such period to surplus as may be required by law; and
- (f) The net loss, if any, determined in accordance with the provisions of this section 5, accrued since the recapitalization Date, accumulated to and existing at the beginning of such period.

All recoveries over net book value on assets previously charged off or written down or against which reserves have been set up, and all transfers from reserves to surplus or undivided profits (other than transfers made to reflect recoveries already treated as gross earnings) shall be considered gross earnings for the respective periods during which such recoveries or transfers are affected.

SECTION 6. Application of Net Profits. As long as any shares of preferred stock are outstanding, the Corporation, on each February 1 and August 1 (except that, as provided in paragraph (2) hereof, no payments shall be required pursuant to the provisions of such paragraph prior to August 1, 1936), shall apply the net profits of the Corporation for the six months' period ending on the next preceding December 31 or June 30, as the case may be, to the following purposes and in the following order of priority, and not otherwise:

- (1) To the payment of dividends on the outstanding preferred stock accrued to such February 1 or August 1, as the case may be;
- (2) To the payment into the preferred stock retirement fund (referred to in section 8 of this article V) on August 1, 1936, of a sum equal to three-quarters of one per cent of the aggregate par value of the preferred stock at the time outstanding, and on each February 1 and August 1, thereafter, to and including February 1, 1940, of a sum equal to one-quarter of one per cent of the aggregate par value of the preferred stock at the time outstanding, and on each February 1 and August 1 thereafter of a sum equal to one-half of one per cent of the

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aggregate par value of the preferred stock at the time outstanding. In the event that the net profits of the Corporation shall on any such February 1 or August 1 be insufficient to permit the payment into such preferred stock retirement fund of the full amount hereinabove provided for, the deficiency shall be fully paid before any net profits of the Corporation shall be thereafter applied to any of the purposes hereinafter specified in this section 6.

(3) To the payment into the preferred stock retirement fund (referred to in section 8 of this Article V) of a sum equal to forty per cent of the remainder, if any, of such net profits: Provided, however, That the aggregate amount paid into the preferred stock retirement fund in any one year in accordance with the requirements of this paragraph (3), need not exceed five per cent of the maximum aggregate par value of the preferred stock at any time outstanding, whether or not any such stock shall have been subsequently retired or the aggregate par value thereof reduced in any manner whatsoever: Provided, further, however, That, unless otherwise elected, from time to time, by the Corporation by action of its Board of Directors, it shall not be required to make such payment into the preferred stock retirement fund required by this paragraph 3, except from such net profits as may have accrued from and after December 31, 1935.

Any balance of net profits for any such period may be applied from time to time to such lawful purposes as may be determined by the Board of Directors, subject, however, to the provisions of section 7 of this article V.

SECTION 7. Limitations on Retirement of Stock. No preferred stock shall be called or purchased for retirement by the Corporation unless the then-unimpaired capital, surplus, and undivided profits of the Corporation, and the retirement funds provided for herein (after giving effect to the issuance of any stock issued to provide funds for such retirement) exceed \$56,000.00 by an amount at least equal to the sum necessary to effect such retirement or unless such retirement shall have been approved by the Superintendent of Banking of the State of Iowa. No shares of preferred stock shall be called or purchased for retirement unless all accrued dividends (whether or not earned or declared) to the dividend payment date next preceding the date of such retirement shall have been paid on all shares of preferred stock at the time out standing.

SECTION 8. Retirement of Preferred Stock by Purchase. Subject to the provisions of section 7 of this article V, whenever the balance in the preferred stock retirement fund shall amount to as much as \$1,000.00, The Corporation shall (unless the Board of Directors shall elect to use the entire amount of such balance in the preferred stock retirement fund for the retirement of preferred stock by call as provided in section 9 hereof) within ten days thereafter mail, first-class postage prepaid, to all holders of record of preferred stock at their respective addresses as shown on the books of the Corporation, a notice specifying the balance in such fund and stating that the same is available for the purchase for retirement of preferred stock at the lowest prices (not in excess of the par value thereof and accrued dividends thereon, whether or not earned or declared, to the date of purchase) offered within twenty days after the date of such notice. At the expiration of such twenty days, the Corporation shall apply such balance to the purchase for retirement of preferred stock, if obtainable, in accordance with the terms of such notice. Within ten days after such expiration, subject to the provisions of section 7 of this article V, the Corporation shall call for retirement, in the manner provided in section 9 hereof, the largest number of shares of preferred stock which can be retired from the balance in such retirement fund remaining after deducting the amount paid or to be paid for the purchase for retirement of preferred stock as aforesaid, and shall set aside from such retirement fund the sum necessary to effect such retirement. Subject to the provisions of section 7 of this article V, at any time and from time to time

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the Corporation may make such lawful transfers from its surplus and/or undivided profits to the preferred stock retirement fund as the Board of Directors may determine. All shares of preferred stock purchased for retirement by the Corporation, whether from the retirement fund or otherwise, shall be canceled forthwith and shall not be reissued.

SECTION 9. Retirement of Preferred Stock by Call. Subject to the provisions of section 7 of this article V, the Corporation may at any time, at its election as expressed by resolution of the Board of Directors, retire the outstanding preferred stock as a whole, or from time to time in part, pro rata or by lot in such equitable manner to carry out the purpose of this section 9 as the Board of Directors of the Corporation in its discretion shall from time to time determine, by paying for each share to be retired a retirement price equal to the par value thereof plus all accrued dividends thereon, whether or not earned or declared, accrued to the date of such retirement. At least thirty days' prior written notice of every such retirement, stating the retirement date and the retirement price, and the place of payment thereof, shall be mailed, first-class postage prepaid, to the holder of record of each share to be retired at the address of such holder as shown on the books of the Corporation. Such notice having been so mailed, each holder of shares so called for retirement shall be entitled to receive payment of the retirement price of such shares (without interest) upon surrender to the Corporation on or after the retirement date, at the place designated in such notice, of the certificate or certificates therefor in transferable form and, if required, properly stamped for transfer. In case less than all of the shares represented by any such certificate are retired, a new certificate shall be issued representing the unretired shares. From and after the retirement date (unless the Corporation shall default in payment of the retirement price), all dividends on shares called for retirement shall cease to accrue, such shares shall be deemed to be no longer outstanding, and all rights of the holders thereof as shareholders of the Corporation, except the right to receive the retirement price, shall terminate. All shares so retired shall be canceled forthwith and shall not be reissued.

Section 10. Increase or Decrease of Capital Stock: Amendments of Articles of Corporation, Voluntary Liquidation, etc. By the affirmative vote of the holders, Voting by classes, of at least fifty-one per cent (unless otherwise provided by law) of the shares of each class of stock at the time outstanding, and not otherwise, and subject to such approval by the Superintendent of Banking of the State of Iowa and such other conditions as at the time may be required by law-

(a) The capital stock of the Corporation may be increased at any time and from time to time through issuing additional shares of preferred stock and/or common stock, and/or through the creation of one or more additional classes of stock: Provided, however, That no vote of the holders of preferred stock shall be required with respect to any issue of additional shares of common stock if the entire proceeds of such issue are to be used for the retirement of shares of preferred stock: And provided further, That no vote of the holders of stock of any class shall be required with respect to any issue of additional shares of common stock as a stock dividend, pursuant to the second paragraph of section 4 of this article V in connection with the retirement of shares of preferred stock;

(b) The capital stock of the Corporation may be decreased at any time and from time to time to any amount not below the amount at the time required by law: Provided, however, That no vote of the holders of stock of any class shall be required with respect to the retirement of preferred stock;

(c) The name of the Corporation and /or the place where its operations of discount and deposit are to be carried on may be changed;

(d) These Articles of Incorporation may be amended at any time and from time to time in any other respect;

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(e) The Corporation may incur indebtedness maturing more than one year from the creation thereof, but the indebtedness herein referred to shall not be construed to include time deposits which may continue to be accepted by the Corporation under such conditions as may be provided by law.

(f) The Corporation may be consolidated or merged into or with any other bank;

(g) All or substantially all of the assets and business of the Corporation may be sold or otherwise disposed of;

(h) The Corporation may go into voluntary liquidation; and

(i) Any plan of reorganization of the Corporation may be carried into effect;

PROVIDED, HOWEVER, That if and as long as the voting rights of the Preferred Stock are increased in accordance with the provisions of Section 12 or 13 of this Article V, any of the actions specified in any of the foregoing paragraphs (a) to (e), inclusive, may be taken by the affirmative vote of fifty-one (51) per cent of the votes to which the holders of all classes of stock, voting as one class are, at the time entitled, and not otherwise: and any of the actions specified in any of the foregoing paragraphs (f) to (i), inclusive, may be taken by the affirmative vote of the holders, voting by classes, of at least three-fourths ($\frac{3}{4}$) of the shares of each class of stock at the time outstanding, and not otherwise, and subject to such approval by the Superintendent of Banking of the State of Iowa, and such other conditions as at the time may be required by law.

SECTION 11. Preemptive Rights. In case of any increase in the capital stock of the Corporation of any class other than by way of a stock dividend, the new shares (unless otherwise provided by the shareholders' vote or votes authorizing their issue) shall be offered for subscription to the holders of record of all shares of stock (of that class) at the time outstanding, in proportion to the number of shares of such stock (of that class) held by them respectively, by mailing, first-class postage prepaid, to such holders, at their respective addresses as shown on the books of the Corporation, transferable subscription warrants exercisable at any time on or before thirty days from the date of such mailing. If at the expiration of such subscription rights, any of the new shares have not been subscribed for, such shares shall be offered for subscription to the holders of record of all other shares of stock of all other classes at the time outstanding, in proportion to the number of such shares held by them respectively, and notice shall be given as above provided. If at the expiration of both of such subscription rights any of the new shares have not been subscribed for, such unsubscribed new shares may be issued and sold at such price not less than the par value thereof, to such persons and on such terms as the Board of Directors may determine.

SECTION 12. Voting Rights.

(a) Except as otherwise provided in sections 10 and 13 of this article V, and in this section 12, each holder of stock of any class shall be entitled to vote on all matters one vote for each share of stock of any class held by him.

(b) In case as many as two semiannual dividend payments (whether or not consecutive and whether or not earned or declared) on the preferred stock shall be in arrears, (exclusive of any such dividend which may be payable at any time within three (3) months from the date of issuance of the preferred stock), then, and until all arrears of dividends upon the preferred stock shall have been paid and the full dividend on the outstanding preferred stock for the then-current semiannual dividend period shall have been declared and funds set apart for the payment thereof, the holders of preferred stock at the time outstanding shall be entitled, as a class, to vote on all matters twice the number of the votes to which the holders of common stock, as a class, are at the time entitled, and each holder of preferred stock shall be entitled to a pro rata share of the votes to which his class is entitled.

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(c) At any time while the votes of the preferred stock are increased as provided in paragraph (b) of this section 12 or in paragraph (2) of section 13 of this article V, any one or more of the directors, officers, or employees of the Corporation may be removed at any annual or special meeting of shareholders, for or without cause, and their successors elected by the affirmative vote of two-thirds of the votes to which the holders of all classes of stock voting as one class, are at the time entitled.

SECTION 13. Other Voting Rights. If at any time while the Reconstruction Finance Corporation shall hold not less than twenty-five per cent of the total number of shares of preferred stock at the time outstanding—

(a) The Corporation shall be in arrears in the payment of as many as two semiannual dividend payments (whether or not consecutive and whether or not earned or declared) on the preferred stock (exclusive of any such dividend which may be payable at any time within three (3) months from the date of issuance of the preferred stock); or

(b) The amounts paid into the preferred stock retirement fund (referred to in section 8 of this article V in accordance with the requirements of paragraph (3) of section 6 of this article V, on and after February 1, 1937, shall not have amounted in the aggregate to five per cent of the maximum par value of the preferred stock at any time outstanding (whether or not any such stock shall have been subsequently retired or the aggregate par value thereof reduced in any manner whatsoever) multiplied by the number of calendar years which shall have elapsed since January 1936; or

(c) The fair value of the assets of the Corporation as determined by an examination of the Corporation by the Reconstruction Finance Corporation (which may be made by the Reconstruction Finance Corporation once in each calendar year if the Reconstruction Finance Corporation shall so elect) or as determined by the Superintendent of Banking, shall be less than an amount equal to all of its liabilities, including all capital stock outstanding; or

(d) The Corporation shall violate or fail to observe any of the terms, provisions, or conditions of its Articles of Incorporation or shall be in default in the due observance or performance of any covenant, agreement, or condition on the part of the Corporation contained in the application to Reconstruction Finance Corporation for subscription to preferred stock—then after written notice from Reconstruction Finance Corporation of the existence of any of said conditions and so long as any of said conditions in (a), (b), (c), and (d) above shall continue:

(1) All directors, officers, and employees of the Corporation shall receive compensation at rates not exceeding such maximum limitations as may be fixed by the vote of the holders of a majority of the shares of preferred stock at the time outstanding.

(2) In case Reconstruction Finance Corporation, with the approval of the Superintendent of Banking, at any time shall notify the Corporation that any director, officer, or employee of the Corporation is regarded by Reconstruction Finance Corporation as unsatisfactory, and in case such director, officer, or employee is not removed from office (and if requested by Reconstruction Finance Corporation, replaced with a director, officer, or employee satisfactory to it) within thirty days after receipt by the Corporation of such notice, then, and until such removal and replacement shall have been effected, the holders of preferred stock at the time outstanding shall be entitled, as a class, to vote on all matters twice the number of the votes to which the holders of common stock, as a class, are at the time entitled, and each holder of preferred stock shall be entitled to a pro rata share of the votes to which his class is entitled.

(3) The Corporation shall not directly or indirectly purchase or otherwise acquire any real estate for its own use, or lease any real estate for its own use for a term longer than one year, without in each case the affirmative vote of the holders of a majority of the

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preferred stock at the time outstanding, or a written waiver of voting rights in respect thereto by the holders of such majority: Provided, however, That this limitation shall not apply to real estate acquired under the provisions of paragraph two of section 9190 of the Code of Iowa, 1931.

SECTION 14. Rights of Preferred Stock on Liquidation. In the event of any receivership, conservatorship, liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, before any payment or other distribution, whether in cash, property, or otherwise, shall be made to the holders of common stock, the holders of preferred stock shall be entitled to receive, for each share of such stock held by them, an amount equal to the par value thereof, plus an amount equal to all unpaid dividends thereof, whether or not earned or declared, accrued to the date of payment, but shall not be entitled to any other or further payment; Provided however, That a merger or consolidation in accordance with law and these Articles of Incorporation shall not be deemed a liquidation, dissolution, or winding up of the Corporation within the meaning of this section 14.

ARTICLE VI.
Corporate Existence

The existence of this Corporation began on the date the Secretary of the State issued his certificate of incorporation, viz: the 26th day of December, 1934, and shall continue for twenty years thereafter unless ^{sooner} dissolved by the stockholders or by law. The Corporation commenced the transaction of business when the certificate issued authorizing it to do so, viz: on the 31st day of December, 1934. The corporate existence of this Corporation may be renewed or extended from time to time as provided by law.

ARTICLE VII.
Indebtedness.

The Corporation may contract indebtedness or a liability for the following purposes: for the necessary expense in managing and transacting its business, for deposits, and to pay depositors, and to maintain proper legal reserves, and for other lawful corporate purposes, and the Board of Directors shall have the power and authority to pledge, or cause to be pledged as security for the payment of any lawful indebtedness or liability of the Corporation, such assets of the corporation as may be necessary.

ARTICLE VIII.
Private Property of Shareholders Exempt.

The private property of the shareholders of this Corporation shall be exempt from corporate liability, debts, or obligations, except only as otherwise expressly provided in these Articles of Incorporation.

ARTICLE IX.
Issue of and Payment for Stock ; Lien of Corporation on Stock.

The shares of stock of this Corporation shall be issued only upon receipt by the Corporation of the full par value thereof in money, or in property as provided by law, and shall be transferable only by assignment on the books of the Corporation.

All stock certificates shall be signed by the president or vice-president, and the Cashier or an assistant Cashier, and shall have the corporate seal affixed.

The Corporation shall at all times have a prior lien on any shares of stock owned or held by any person indebted or obligated to the Corporation, and on any interest in any such stock possessed by any person indebted to the Corporation; subject, however, to any lien against or pledge of such stock which the Corporation has acknowledged by written notice without stating in such notice that it reserves and continues in force its prior lien.

ARTICLE X.
Miscellaneous.

All written instruments to be made, executed, and entered into on behalf of the

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Corporation, including instruments conveying or affecting real estate, shall be executed in the name of the Corporation by its president or vice-president and attested by the secretary assistant secretary, cashier or assistant cashier, with the corporate seal affixed, and duly acknowledged by said officers as by law provided, in such cases that acknowledgement is required to validate any such instrument. Provided, that any of such officers, or any other officer or person thereunto duly authorized by the Board of Directors, may satisfy any mortgage judgment, or lien on the official record where any such mortgage, judgment, or lien appears, in the name of the Corporation and without the attachment or affixation of the corporate seal.

In conformity with a resolution of the stockholders we, the president and cashier of said corporation, have executed this instrument, and do hereby sign and acknowledge the same, for and in behalf of the said corporation, this 25th day of April A.D.1935.

H.V.Huntoon President
H.L.Paull Cashier.

STATE OF IOWA)ss.
Madison County)

BE IT REMEMBERED, That on this 25th day of April, 1935, before me, a Notary Public in and for said county and state, personally appeared H.V.Huntoon and H.L.Paull, president and cashier, respectively of the said UNION STATE BANK, and each for himself acknowledged the same to be his free act and deed and the free and voluntary act and deed of the said corporation, by them voluntarily executed, being duly authorized by the stockholders of said corporation.

Witness my hand and notarial seal at Winterset, in the county of Madison, State of Iowa, on the day and year last above written.

NOTARIAL
SEAL

H.C.Fosher
Notary Public in and for Madison County Iowa