

Miscellaneous Record, No. 23, Madison County, Iowa

Notary Public within and for Madison County, Iowa.

Farmers Elevator Company, Earlham, Ia.

#4665

Fee \$ 4.00 ✓

Filed for record the 25 day of
July A.D. 1939 at 10:48 o'clock
A.M.
Pearl E. Shetterly, Recorder
Wilma M. Wade, Deputy

To

The Public

FARMERS ELEVATOR COMPANY EARLHAM, IOWA
CHANGE TO CHAPTER 390 G-1 of the CODE OF IOWA OF 1935

BE IT REMEMBERED, That at the special meeting of the stockholders of the Farmers Elevator Company, a corporation duly organized and existing under Chapter 389 of the laws of the State of Iowa, having its place of business in Earlham, Madison County, Iowa, held on the 1st day of July, 1939, after due and proper notice had been given the stockholders thereof, and at which meeting the requisite number of shares of stock of said corporation was represented in accordance with the laws of the state, the following resolution was adopted:

RESOLVED, That the Farmers Elevator Company, organized as a stock company under Chapter 389, wishes to become a stock company under Chapter 390 G-1 of the Code of Iowa of 1935.

THEREFORE, The stockholders of said company do hereby elect to accept the benefits of and to be bound by the provisions of the laws under Chapter 390 G-1 of the Code of Iowa of 1935.

THEREFORE, BE IT FURTHER RESOLVED, That the amended and substituted articles of incorporation submitted to the stockholders at the said meeting and hereto attached be and the same are hereby adopted as the articles of incorporation of said corporation.

RESOLVED FURTHER, That the President and Secretary of this company be and they are hereby authorized and directed to sign, acknowledge, record and do any and all things which are by law required to execute, complete and carry into effect the above resolution, and to execute, sign and acknowledge the amended and substituted articles of incorporation duly adopted at said meeting.

We, C.E. Merical and W.H. Hall, President and Secretary of said company, do hereby certify the above to be a true and correct statement of the proceedings of the stockholders at the above named meeting.

C.E. Merical
W H Hall

President
Secretary

STATE OF IOWA, Madison County)ss

Subscribed and sworn to before me by the said C.E. Merical and W.H. Hall, President and Secretary respectively, this 8 day of July, 1939.

Justice of Peace Seal)

Leslie R. Coeldner
Justice of the Peace in and for said County, Iowa.

OFFICE OF THE SECRETARY OF STATE Des Moines, Iowa

This instrument recorded in Book y-10, Page 207, July 20 1939

Expires Perpetual Cert. No. 444 Receipt No. 1038

Filed By Farmers Grain Dealers Association of Iowa Ft. Dodge, Ia.

Filing Fee \$10.00 Recording Fee \$3.00 Earl G. Miller Secretary of State.

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AMENDED AND SUBSTITUTED ARTICLES OF INCORPORATION
OF THE
FARMERS ELEVATOR COMPANY, EARLHAM, IA.

KNOW ALL MEN BY THESE PRESENTS:

That at the special meeting of the stockholders of the Farmers Elevator Company, Earlham, Iowa, a corporation duly organized under the laws of the State of Iowa, held at Earlham, Madison County, Iowa, on the 1st day of July, A.D. 1939, after due and legal notice had been given to the stockholders thereof in conformity with its Articles of Incorporation and in accordance with the requirements of the laws of the State of Iowa, at which the requisite majority of the stockholders of said corporation was represented, the following amendment was adopted, by a vote of the stockholders as shown below.

It is understood that the Association will comply with 8512-g43 of the law pertaining to those voting against amended and substituted articles of incorporation.

Total Number of Stockholders 101	Total Number of Stockholders Represented
at this meeting 43	Total Number of Stockholders Voted in
Favor of Amendment 35	Total Number of Stockholders Voted
Against Amendment 8	Number of Shares

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AMENDED AND SUBSTITUTED ARTICLES OF INCORPORATION Farmers Elevator Company Earlham, Iowa.

We, whose names are hereto subscribed, hereby adopt amended and substituted articles of incorporation under the provisions of Chapter 390 G-1 of the Code of Iowa of 1935 as follows:

ARTICLE I Name

The name of this corporation shall be FARMERS COOPERATIVE ELEVATOR COMPANY.

ARTICLE II Place of Business

The principal place of business of this corporation shall be at Earlham in the County of Madison and State of Iowa, and the corporation may have such other places of business as the board of directors shall determine.

ARTICLE III Objects

The objects of this corporation shall be buying, selling and handling of grain, coal, lumber, 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, 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.

All conveyances of real property made by the corporation shall be executed by the President (or in his absence or disability by the Vice President) and ~~counter~~ countersigned by the Secretary with an impression of the corporate seal attached, if the corporation has a seal; 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 IV Member Business

This corporation shall be operated as a cooperative and the business done with non-members shall not exceed in value that done with members.

ARTICLE V Capital Stock

Section 1. The authorized capital stock of this corporation shall be twenty-five thousand dollars (\$25,000.00) divided into 700 shares of Class A common stock at \$10.00 par, 200 shares of Class B common stock at \$10.00 par, and 3200 shares of preferred stock at \$5.00 par.

Section 2. No member shall hold more than one share of common stock, nor be entitled to more than one vote at any stockholders' meeting.

Section 3. Common stock shall not be transferable and any certificates therefor, shall be surrendered to the corporation before any payment or refund thereon is made in case of

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termination of membership.

Section 4. In the event a Class A common stockholder ceases to be an agricultural producer, as hereinafter defined, his Class A stock shall be cancelled, and if he is still a patron of the corporation he shall be issued a share of Class B common stock in lieu thereof.

Every Class B common stockholder who may become eligible for Class A stock, may have his stock exchanged accordingly, and thereafter enjoy all of the privileges accorded to any other Class A stockholder.

Section 5. No fixed dividends shall be paid on either Class A or Class B common stock, which shall participate in the earnings of the corporation only by allocation of patronage dividends as provided in Article VII - (1) - (e) hereof.

Section 6. As to any year that the earnings of the corporation, as determined by the directors are sufficient to defray its operating expenses and the items specified in Article VII-1-(a) and (b), the directors shall declare a dividend of four percent of the par value of the preferred stock outstanding, payable to its holders of record. Such dividends shall not be cumulative. Preferred stock shall be issued in such amount and at such times as the directors may determine; and may be issued to discharge obligations incurred in purchases as provided in Section 6512-g-25 of the 1935 Code of Iowa. Preferred stock shall not be entitled to vote. All preferred stock shall be redeemable, in whole or any part the directors may determine, at any time, at par, plus any declared but unpaid dividends, on call of the directors, notice of which shall be mailed to the record holders of such shares at their addresses shown by the corporate records; and after such notice no further dividends may be declared thereon. Preferred stock shall not participate in the corporate earnings except for the dividends herein specified. The preferred stock held by non-members shall not exceed in amount that held by members.

Section 7. Liens. This corporation shall have a lien on all stock irrespective of classification, allocated patronage dividends of any person in whose name the same stands or who may be holding the same, for any sum due the corporation from said person, or for any debt or liability of whatever kind of said person to the corporation.

Section 8. Each present stockholder eligible for membership under these articles shall receive for one of his present shares, one share of common stock at \$10.00 par and eighteen shares of preferred stock at \$5.00 par, and \$100.00 of preferred stock for each of the balance of his shares.

ARTICLE VI Membership

Section 1. Eligibility. Only farm operators who are engaged in the production of farm products or who consume or use supplies handled or services rendered by this corporation 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.

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.

Section 2. How Membership May be Acquired. Any eligible farmer or producer, as defined in Section 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 to the board and upon the issuance to him of a share of said Class A 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 part payment on a subscription and has given a note for the balance, acceptable to the board of directors, may be accorded all the privileges of members, except the right to hold office.

Any consumer of the supplies handled or services rendered by this association, who is not a farmer or producer as defined in Section 1 hereof, may become a member of this association

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entitled to the privileges of a Class B common stockholder, upon acceptance by the board of directors of his application for membership, and upon the issuance to him 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 part payment on the purchase price of a share of the Class B common stock of the company, 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.

Section 3. Expulsion. The directors may expel any member if he has attempted to transfer his common stock in violation of these articles, or if he has wilfully violated any article or by-law which provides for such penalty.

Section 4. Termination of Membership. If a member dies or becomes ineligible, or is expelled, or ceases to patronize this association for two consecutive years, his membership shall forthwith be cancelled. In cases of expulsion the association shall pay him the value of his common stock, but not more than its original issuing price, within sixty days thereafter. In cases of death or ineligibility, or failure to patronize the association, it shall pay such value to him or his personal representative within two years thereafter, without interest.

Section 5. Obligations not Affected. The death, expulsion or withdrawal of a member shall not impair his contracts, debts, or obligations to the association.

ARTICLE VII Distribution of Earnings

Section 1. The directors shall annually dispose of earnings of the association in excess of its operating expenses and the amount to be paid in retirement of indebtedness as follows:

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

b. At least ten per cent of the remaining earnings must be added to surplus until surplus equals thirty per cent of the total of all capital paid in as capital stock of all classes, plus all unpaid patronage dividends, plus certificates of interest payable upon liquidation, or one thousand dollars, whichever is greater. No additions shall be made to surplus whenever it exceeds fifty per cent of such total, or \$1,000 whichever is greater.

c. That not less than 1% nor more than 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. That after the foregoing, to pay dividends on preferred stock, if any.

e. All remaining net earnings shall be allocated to a revolving fund and shall be credited to the account of each member (including subscribers described in Article VI, Section 2) ratably in proportion to the business he has done with the association during such year; provided, however, that no such earnings shall be allocated to a revolving fund in a given year if the reserve provided for in Section (b) hereof is exhausted, or impaired, until such reserves has been restored.

Section 2. Patronage Dividends of Subscribers. Patronage dividends of subscribers to either Class A or Class B common stock whose stock is not fully paid for shall be applied upon the balance due on such stock until it is paid in full.

Section 3. Payment of Patronage Dividends. If the by-laws so provide, the directors may issue non-transferable certificates or credits toward the purchase of preferred stock for deferred patronage dividends credited as provided in Section 1, Article VII, provided that such credits or certificates shall not mature until the dissolution or liquidation of the association, but shall be callable by the association at any time in the order of priority specified in Article VIII.

ARTICLE VIII Use of Revolving Fund

The directors may use the revolving fund to pay the obligations or add to the capital of

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the association, to retire any preferred stock outstanding, or retire its certificates of interest. In such event the deferred patronage dividends credited to members, shall constitute a charge on the revolving fund and further additions thereto, and on the corporate assets, subordinate to creditors and preferred stockholders of the corporation, then or thereafter existing. Deferred patronage dividends for any year shall have priority over those for any subsequent year. The order of priority of retirement of preferred stock shall be a matter for the uncontrolled discretion of the board of directors; provided, however, it shall be the policy of the company to first retire the preferred stock held by others than patrons of the company.

ARTICLE IX Distribution in Liquidation

On dissolution or liquidation, the assets of this corporation shall first pay liquidation expenses; next its obligations to creditors in the order of priority thereof or security therefor as provided by law; and the remainder shall be distributed in the following priority;

a. The holders of the preferred stock shall then be entitled to be paid in full for the par value of their shares together with any declared, but unpaid dividends which have accrued on such shares. If the fund is insufficient to pay the preferred stockholders in full, it shall be pro-rated to said preferred stockholders, in proportion to the amount of preferred stock held by each;

b. Next to pay any revolving fund deductions and deferred patronage dividends or certificates issued therefor. If it is insufficient to pay them all, it shall be pro-rated regardless of the priority specified in Article VIII

c. Any remaining assets shall be distributed among the holders of Class A and the Class B common stock ratably until the full payment of the par value of said Class A and B stockholders, without priority as to either Class of stock.

d. If there then be any remaining assets, they shall be distributed among the Class A and Class B stockholders at the date of dissolution or liquidation in proportion to their respective interest in the revolving fund, and if there be no such interest remaining unpaid them in proportion to the value of business that each member has transacted with this association during the five fiscal years preceding the year of dissolution or liquidation.

ARTICLE X Management

The affairs of this corporation shall be conducted by a board of five directors, to be elected by the members from their own number each year at the annual meeting as hereinafter provided for. The members of the first board of directors shall hold office until the first annual meeting of members when their successors shall be elected from among the members of the corporation for terms of office as follows: two for one year, two for two years, and one for three years. Upon the expiration of the terms of the directors so elected, their successors shall be elected for terms of three years. Directors shall hold office until their successors shall have been elected and have qualified and entered upon the discharge of their duties.

Every director must at all times be and remain an eligible holder and owner of Class A common stock, and the office of any director ceasing to be such shall forthwith become vacant.

The directors shall annually from their own number elect a President, Vice President, Secretary and Treasurer. The office of Secretary and Treasurer may be combined and the incumbent known as Secretary-Treasurer.

ARTICLE XI Election of Officers and Directors-Meetings-Fiscal Year

Section 1. The fiscal year of the corporation shall end on the 30th day of June.

Section 2. The annual election of directors by the members shall be held in Earlham, Iowa on the third Saturday in September. The annual election of officers by the directors shall be held within ten days following the adjournment of the members' meeting. Until the first annual election, the following persons shall be directors:

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	C.E.Merical	Earlham, Iowa
	J.E.Brittian	Earlham, Iowa
	W.H.Hall	Earlham, Iowa
	W.C.Duff	Earlham, Iowa
	S.C.Bloomquist	Earlham, Iowa
and the following shall be officers:		
President	C.E.Merical	Earlham, Iowa
Vice President	J.E.Brittian	Earlham, Iowa
Secretary	W.H.Hall	Earlham, Iowa
Treasurer	W.C.Duff	Earlham, Iowa

Section 3. All officers of the corporation shall hold office for the term of one year, or until their successors are elected and have qualified. The board of directors may fill all vacancies occurring in its membership by the appointment of qualified persons who shall hold office until the next annual meeting, at which time the members shall fill the vacancy for the remainder of the term.

Section 4. At any meeting called for that purpose, any officer or director may be removed by vote of a majority of all voting members of the association.

Section 5. Special meetings of the members may be called at any time by the President by giving to the members ten days' notice in person or by mail directed to the address of said member as shown on the books of the corporation and shall be called by him at any time by the written demand of a majority of the board of directors or 20% of the members and in case of his neglect or refusal to call a meeting, 20% of the members may join in a call of the members, upon the same notice as provided above, which meeting shall be the same as though called by the President. The notice shall specify the time, place and purpose of the special meeting.

Section 6. At all meetings of the members, each voting member shall be entitled to only one vote on any matter, question or election coming before the meeting. Such votes shall be cast in person, provided, however, that votes may be cast by mail when a copy of the question, motion, or resolution is attached to such vote.

ARTICLE XII

The private property of the members shall be exempt from corporate liability. This article shall not be changed, except by unanimous consent of all the members.

ARTICLE XIII By-laws

The directors may adopt by-laws for the association, which shall remain in force until altered by such vote of the members as the by-laws shall provide for the amendment of by-laws.

ARTICLE XIV Duration

The life of this corporation began when the Secretary of State issued the charter and by resolution adopted July 1, 1939, and in accordance with amended and substituted articles of incorporation adopted on that date, its charter shall be perpetual.

ARTICLE XV Amendments

Amendments to these articles of incorporation may be made at any annual or special meeting, provided that an exact copy of the proposed amendment shall have been first mailed to each member at least ten days prior to such meeting, by an affirmative vote of three-fourths of all votes cast, provided that at least twenty-five per cent of all members vote thereon.

In witness whereof, the foregoing articles of incorporation have been executed this 8 day of July, 1939.

C.E.Merical President
W H Hall Secretary

STATE OF IOWA MADISON COUNTY)SS

BE IT REMEMBERED, That on this 8 day of July, 1939, before me a Justice of the Peace in and for said County and State, personally appeared C.E.Merical and W.H.Hall, President and Secretary respectively for the said Farmers Elevator Company 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 company, by them voluntarily executed, being duly authorized by the stockholders of said corporation.

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

COMPANEL

(Justice of Peace Seal)

Leslie R. Goeldner
Justice of the Peace