

347268

Florida Department of State
Division of Corporations
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Account Number : 075500004387
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Fax Number : (813) 229-1660

Enter the email address for this business entity to be used for future annual report mailings. Enter only one email address please.

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MERGER OR SHARE EXCHANGE

Surface Chemists of Florida, Inc.

Certificate of Status	0
Certified Copy	0
Page Count	08
Estimated Charge	\$95.00

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TALLAHASSEE, FLORIDA

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May 8, 2015

FLORIDA DEPARTMENT OF STATE
Division of Corporations

SURFACE CHEMISTS OF FLORIDA INC
P.O. BOX 2304
JUPITER, FL 33468

SUBJECT: SURFACE CHEMISTS OF FLORIDA INC
REF: 347268

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refile the complete document, including the electronic filing cover sheet.

On page 2 of the Agreement of Merger paragraph 1.6 it states that the Articles of Incorporation of SCFC as set forth in Exhibit A attached to the agreement. Please attach the Articles of Incorporation or delete the statement that they are attached as Exhibit A.

If you have any questions concerning the filing of your document, please call (850) 245-6050.

Annette Ramsey
Regulatory Specialist II

FAX Aud. #: H15000111811
Letter Number: 915A00009691

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

MERGING

**SURFACE CHEMISTS OF FLORIDA, INC.,
A FLORIDA CORPORATION**

**SURFACTANT TECHNOLOGIES CORPORATION,
A FLORIDA CORPORATION**

WITH AND INTO

**SURFACE CHEMISTS OF FLORIDA, INC.,
AN OHIO CO-OPERATIVE ASSOCIATION**

The following Articles of Merger are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1108, Florida Statutes.

FIRST: The name and jurisdiction of the surviving corporation (the "Surviving Entity") is Surface Chemists of Florida, Inc., an Ohio cooperative association organized under Ohio Revised Code Section 1729.

SECOND: The names and jurisdictions of the merging corporations are

Surface Chemists of Florida, Inc., a Florida corporation, document number 347268.

Surfactant Technologies Corporation, a Florida corporation, document number G72117.

THIRD: Section 607.1108 of the Florida Code permits the merger of a corporation of the State of Florida with a corporation or other business entity organized in another jurisdiction.

FOURTH: The Agreement of Merger is attached hereto as Exhibit A (the "Agreement of Merger").

FIFTH: The Agreement of Merger was approved by each of the Florida domestic corporations that is a party to the merger in the following manner:

- (a) The Agreement of Merger was adopted by the board of directors of Surface Chemists of Florida, Inc. by written consent on April 28, 2015, by the unanimous vote of the board of directors. The board of directors submitted the Agreement of Merger to a vote of shareholders. The Agreement was adopted by written consent of the shareholders by vote of the holders of all outstanding shares entitled to vote thereon on April 28, 2015.
- (b) The Agreement of Merger was adopted by the board of directors of Surfactant Technologies Corporation by written consent on April 28, 2015, by the unanimous vote of the board of directors. The board of directors submitted the Agreement of Merger to a vote of shareholders. The Agreement was adopted by written consent of the shareholders by vote of the holders of all outstanding shares entitled to vote thereon on April 28, 2015.

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SIXTH: The Agreement of Merger was adopted by the unanimous written consent of the board of directors and by unanimous written consent of all of the voting members of the surviving corporation on April 30, 2015.

SEVENTH: The Merger shall become effective at 12:01 a.m., Eastern Standard Time, on May 4, 2015, or, if later, the date the Certificate of Merger has been filed with the Ohio Secretary of State and the Articles of Merger have been filed with the Florida Secretary of State.

EIGHTH: The address of the principal offices of the Surviving Entity is 1303 Park Lane South, Jupiter, FL 33458.

NINTH: The Surviving Entity is deemed to have appointed the Florida Secretary of State as its agent for service of process in any proceeding to enforce any obligation or the rights of the dissenting shareholders of each of the merging corporations that is a party to the Agreement of Merger. The Surviving Entity has agreed to promptly pay to the dissenting shareholders of each Florida corporation that is a party to the Agreement of Merger the amounts, if any, to which may be entitled under Section 607.1302 of the Florida Business Corporation Law.

IN WITNESS WHEREOF, Surface Chemists of Florida, Inc., Surfactant Technologies Corporation and Surface Chemists of Florida, Inc. have caused these Articles of Merger to be executed in their respective corporate name as of the 2nd day of April, 2015.

SURFACE CHEMISTS OF FLORIDA, INC, an Ohio cooperative association.

By: [Signature]
A. Jason Glover, Chair

By: [Signature]
Colleen Verzi, Secretary

SURFACE CHEMISTS OF FLORIDA, INC., a Florida corporation

By: Alice P. Hudson
Alice P. Hudson, President

By: [Signature]
Martha Carter, Secretary

SURFACTANT TECHNOLOGIES CORPORATION, a Florida corporation

By: Alice P. Hudson
Alice P. Hudson, President

By: Alice P. Hudson
Alice Hudson, Secretary

H15000111811 3

H15000111811 3

Exhibit A
Agreement of Merger

H15000111811 3

H15000111811 3

AGREEMENT OF MERGER

AGREEMENT OF MERGER, dated this 2nd day of April, 2015, between **SURFACE CHEMISTS OF FLORIDA, INC.**, a Florida corporation ("SCF"), **SURFACTANT TECHNOLOGIES CORPORATION**, a Florida corporation ("STC") and **SURFACE CHEMISTS OF FLORIDA, INC.**, an Ohio corporation ("SCFC").

WHEREAS, SCF is a research and development laboratory engaged primarily in product development and application of surfactant polymer chemistry, and the design and sale of related chemical applications for industrial, agricultural and construction industries;

WHEREAS, STC holds certain proprietary technologies related to SCF's business;

WHEREAS, SCF and STC are corporations organized and in good standing under the Florida Business Corporation Law.

WHEREAS, SCFC is a worker cooperative association organized under Chapter 1729 of the Ohio Revised Code (the "Ohio Cooperative Law") by the employees of SCF, in order to jointly market their services to SCF and its customers; and

WHEREAS, the Boards of Directors of SCF, STC, and SCFC have determined that a merger on the terms and conditions described in this Agreement of Merger (the "Merger Agreement"), would be in the best interests of their respective shareholders and members,

WHEREAS, the Boards of Directors of SCF, STC, and SCFC have authorized the execution and delivery of this Merger Agreement and designated it as a plan of merger within the provisions of Section 607.1108 of the Florida Business Corporation Act and Section 1729.36 of the Ohio Cooperative Law.

NOW, THEREFORE, in consideration of the mutual covenant and agreements provided in this Agreement, and in accordance with the applicable provisions of Ohio and Florida law, SCF, STC, and SCFC hereby agree to be merged to continue as an Ohio cooperative association, on the terms and conditions set forth below in this Merger Agreement.

**ARTICLE I
MERGER**

1.1 Merger. In accordance with the provisions of this Agreement, the Ohio Cooperative Law and the Florida Business Corporation Act, SCF and STC shall each merge with and into SCFC.

- (a) SCF is a corporation organized under the Florida Business Corporation Law.
- (b) STC is a corporation organized under the Florida Business Corporation Law.
- (c) SCFC is an association organized and governed under the provisions of the Ohio

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Cooperative Law.

1.2 **Name of Surviving Association.** SCFC shall be the "Surviving Association." The name of the merged cooperative association shall be **SURFACE CHEMISTS OF FLORIDA, INC.**

1.3 **Merging Corporations.** SCF and STC shall be the "Merging Corporations". The identity, existence, purposes, powers, franchises, rights and immunities of each of the Merging Corporations shall be merged with and into the Surviving Association when the merger becomes effective.

1.4 **Shareholder Approval.** SCF and STC shall each submit this Agreement to their stockholders for adoption. The Board of Directors of each of SCF and STC will recommend that the shareholders vote for this Agreement, and will attempt, in good faith, to secure adoption of this Agreement by the shareholders.

SCFC will submit this Agreement to its eligible Members for adoption. The Board of Directors of SCFC will recommend that the Members vote for this Agreement, and will attempt, in good faith, to secure adoption of this Agreement by the Members.

1.5 **Effective Date.** The merger shall become effective at the later of the date of filing the Certificate of Merger with the Ohio Secretary of State or April 30, 2015 ("Effective Date"), provided that:

This Agreement has been adopted by the members of SCFC and the stockholders of SCF and STC in accordance with the applicable law and not abandoned or otherwise terminated as provided herein; and

A Certificate of Merger has been filed with the Ohio Secretary of State as provided by the Ohio Cooperative Law.

Articles of Merger have been filed with the Florida Department of State, as provided in the Florida Business Corporation Law.

1.6 **Articles of Incorporation.** On the Effective Date, the Articles of Incorporation of SCFC, as set forth in Exhibit A attached to this Agreement and these Articles of Incorporation, shall be the Articles of Incorporation of the Surviving Association.

1.7 **Bylaws.** On the Effective Date, the Bylaws of SCFC, as set forth in Exhibit B attached to this Agreement and the Bylaws, shall be the Bylaws of the Surviving Association.

ARTICLE 2 EXCHANGE OF STOCK

2.1 **Capital Stock of the Surviving Corporation.** The authorized number and par

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value of share of all classes of stock of SCFC immediately prior to the Effective Date shall be the authorized number and par value of shares of all classes of capital stock of the Surviving Corporation from and after the Effective Date, until changed in accordance with the applicable provisions of the Surviving Corporation's Articles of Incorporation and Bylaws and the Ohio Cooperative Law.

2.2 **SCFC Capital Stock.** Each of the shares of the Class A common stock of SCFC issued and outstanding on the Effective Date shall remain issued and outstanding from and after the Effective Date as shares of the Class A common stock of Surviving Association with the classification, express terms and restrictions as provided in the Surviving Association's Articles and Bylaws.

2.3 **Capital Stock of Merging Corporations.** On the Effective Date, the shares of the capital stock that are allocated, issued and outstanding from SCF and STC shall be exchanged for shares of capital stock of the Surviving Association as follows:

(a) **SCF Stockholders.** The issued and outstanding shares of the common stock of SCF held by the stockholders of SCF immediately prior to the Effective Date shall be converted into the right to receive the following amounts of cash or shares of the Class B common stock of the Surviving Association, as follows:

<u>SCF Shareholder</u>	<u>Converted into:</u>
Alice P. Hudson Revocable Trust	98 shares of Class B common stock.
Martha Carter	\$9,333.33
Richard Carter	\$9,333.33
Dana Hudson	\$9,333.33

Any shares of the common stock of SCF held by STC or SCFC shall be cancelled.

(b) **STC Stockholders.** The issued and outstanding shares of the common stock of STC immediately prior to the Effective Date shall automatically be converted into one (1) share of the Class B common stock of the Surviving Association, except that any shares of the common stock of STC held by SCF shall be cancelled.

2.4 **Cancellation of Old Certificates.** All outstanding certificates for capital stock of SCF and STC to be exchanged pursuant to this Agreement shall be canceled and shall be void at the Effective Date. New stock certificates shall be issued to the respective shareholders evidencing the issuance of shares of the Class B common stock of the Surviving Association without necessity of retrieving the canceled certificates.

ARTICLE 3 EFFECT OF MERGER

3.1 **Merger of Rights and Obligations of SCF.** At the Effective Date, all rights, powers and franchises, and all property of SCF, and all debts and other obligations of SCF on whatever account, and all other things in action or belonging to SCF, shall be vested in, and assumed by, the Surviving Association without further act; and all property, rights, powers and

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franchises and every other interest of SCF shall thereafter be the property of the Surviving Association, as they were of SCF. The title to any property that is vested by deed or otherwise in SCF shall not revert or be impaired by reason of the merger. The Surviving Association shall be liable for all liabilities and obligations of SCF from and after the Effective Date, and all such liabilities and obligations shall attach to the Surviving Association and may be enforced against it to the same extent as if they had been incurred or contracted by it. No liability or obligation in existence at the Effective Date (whether due or to become due thereafter), or any claim or demand for any cause then existing against either of SCF or SCFC, shall be released or impaired by the merger, and all rights of creditors and all liens upon property of either of SCF and SCFC shall be preserved unimpaired.

3.2 Merger of Rights and Obligations of STC. At the Effective Date, all rights, powers and franchises, and all property of STC, and all debts and other obligations of STC on whatever account, and all other things in action or belonging to STC, shall be vested in, and assumed by, the Surviving Association without further act; and all property, rights, powers and franchises and every other interest of STC shall thereafter be the property of the Surviving Association, as they were of STC. The title to any property that is vested by deed or otherwise in STC shall not revert or be impaired by reason of the merger. The Surviving Association shall be liable for all liabilities and obligations of STC from and after the Effective Date, and all such liabilities and obligations shall attach to the Surviving Association and may be enforced against it to the same extent as if they had been incurred or contracted by it. No liability or obligation in existence at the Effective Date (whether due or to become due thereafter), or any claim or demand for any cause then existing against either of STC or SCFC, shall be released or impaired by the merger, and all rights of creditors and all liens upon property of either of STC and SCFC shall be preserved unimpaired.

3.3 Tax-Free Reorganization. As of the Effective Date, the assets, liabilities, and all other records of the business operation of SCF and STC shall be taken up on the records and financial statements of the Surviving Association at the same amounts shown in the audited financial statements and records of SCF and STC, respectively, as of the Effective Date. The merger proscribed in this Agreement is intended to be a "statutory merger" as referred to in Section 368(a)(1)(A) of the Internal Revenue Code and shall be achieved in such manner as to qualify the transaction for nonrecognition of gain or loss for federal income tax purposes as provided in Section 361 of the Code.

3.4 Further Assurances and Post-Merger Confirmations. From time to time, as and when requested by the Surviving Association or by its successors or assigns, SCF and/or STC shall execute and deliver deeds and other instruments and take all further actions as the Surviving Association or its successors or assigns deem necessary or desirable to vest in and confirm to the Surviving Association, and its successors or assigns, title to and possession of the property, rights, powers, and franchises referred to in Sections 5.1 and 5.2 above and to carry out the intent and purposes of this Agreement.

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ARTICLE 4 BOARD OF DIRECTORS

At the Effective Date, the board of directors of the Surviving Association shall consist of the following five (5) Elected Directors: four (4) of whom to be selected by the Members of the Surviving Association; and one (1) of whom to be designated by the holders of the Class B common stock on the Effective Date.

Selected by the Members:

Jaeton Glover
Victor Granquist
Kevin Beafisto
Sasha Peggs

Appointed by the Class B common stockholders:

Alice Hudson

At the Effective Date, these individuals shall be the "Board of Directors" of the Surviving Association replacing the Initial Board of Directors of SCFC who were incumbent immediately prior to the Effective Date. Thereafter, elections of the members of the Board of Directors to succeed these Directors shall occur in succeeding years as provided in the Surviving Association's Bylaws.

Each of SCF, STC, and SCFC has caused this Agreement to be signed by its President or Chair and Secretary as of the date first written above.

~~SURFACE CHEMISTS OF FLORIDA, INC.~~, an Ohio cooperative association.

By: 

A. Jaeton Glover, Chair

By: 

Colleen Verzi, Secretary

SURFACE CHEMISTS OF FLORIDA, INC., a Florida corporation

By: 

Alice P. Hudson, President

By: 

Martha Carter, Secretary

SURFACTANT TECHNOLOGIES CORPROATION, a Florida corporation

By: 

Alice P. Hudson, President

By: 

Alice Hudson, Secretary

H15000111811 3

Exhibit A

Articles of Incorporation

Doc ID --> 201512100935



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
05/01/2015	201512100935	CO-OPERATIVE - DOMESTIC ARTICLES (ARO)	0.00	0.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

SHUMAKER, LOOP & KENDRICK LLP
ERIC BRITTON
1000 JACKSON STREET
TOLEDO, OH 43604

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted
2399638

It is hereby certified that the Secretary of State of Ohio has custody of the business records for
SURFACE CHEMISTS OF FLORIDA, INC.

and, that said business records show the filing and recording of:

Document(s)

CO-OPERATIVE - DOMESTIC ARTICLES

Effective Date: 04/24/2015

Document No(s):

201512100935

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
1st day of May, A.D. 2015.

Ohio Secretary of State

Doc ID -->

201512100935



Form 800 Prescribed by:

JON HUSTED
Ohio Secretary of State

Central Office: (614) 465-3810

Toll Free: (877) 808-FILE (787-3143)

www.OhioSecretaryofState.gov
Secretary@OhioSecretaryofState.gov

Mail this form to one of the following:

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Columbus, OH 43269Expedite Filing (two-business day processing
Date requires an additional \$100.00)
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Columbus, OH 43269**RECEIVED**

APR 24 2015

SECRETARY OF STATE

**Initial Articles of Incorporation
for a Cooperative Association**Filing Fee: \$125
(800-ARO)

First:	Name of Association <input type="text" value="Surface Chemists of Florida, Inc."/>	
	Association name must include one of the following: "cooperative," "coop," "co-operative," "co-op," "association," "society," "company," "co," "incorporated," "inc.," "corporation," or "corp."	
Second:	Purpose for which association is formed	
	<p>The purpose for which the Cooperative Association is formed is to allow the workers of Surface Chemists of Florida to work together for their mutual economic benefit through joint action in marketing their skills, labor, and productivity as a worker cooperative. The purpose and general nature of its business is to develop, produce, and distribute surface chemistry technology and products and to provide related services and supplies. The Cooperative Association may also engage in any other lawful business or activity for which an association may be organized under Chapter 1729 of the Ohio Revised Code</p>	
Third:	Location of Principal Office	<input type="text" value="Jupiter"/> City <input type="text" value="Palm Beach County"/> County
		<input type="text" value="Florida"/> State

Doc ID → 201612100935

Fourth: Names and Addresses of Incorporators (Note: Pursuant to Ohio Revised Code Section 1729.06, there must be two or more incorporators.)

Name	Jason Glover	Address	1303 Park Lane South, Jupiter, FL 33458
Name	Victor Granquist	Address	1303 Park Lane South, Jupiter, FL 33458
Name	Besha Pagge	Address	1303 Park Lane South, Jupiter, FL 33458

Fifth: Check one of the following:

- ☐ The association will have directors. (Please provide the number of directors.)
- ☒ The number of directors of the association will be specified in the bylaws.

Sixth: Names and Addresses of those who are to serve as directors until the first meeting of members or until the election and qualification of their successors.

Name	Victor Granquist	Address	1303 Park Lane South, Jupiter, FL 33458
Name	Alice Hudson	Address	1303 Park Lane South, Jupiter, FL 33458
Name	See attached	Address	See attached for addresses of other initial directors

Seventh: Is the association being organized with or without capital stock? Please check one of the following and provide the required information.

☒ With capital stock

1500 shares

Total Amount of Stock

as stated in attachment

Number of Shares

as stated in attachment

Per Value of Shares

Dividend Rights, if any: None, except as described in the Code of Regulations.

Please attach additional share information if required by ORC 1729.07 (A)(7).

☐ Without capital stock

Set forth the general rules by which the property rights and interests of each member are to be determined:

*Note for Nonprofit Corporations: The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit corporation secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided.

*Note: ORC Chapter 1729 allows for additional provisions to be included in the Articles of Incorporation that are filed with this office. If including any of these additional provisions, please do so by including them in an attachment to this form.

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ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of Surface Chemists of Florida, Inc.
herby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by
statute to be served upon the association may be served. The complete address of the agent is

Eric D. Britton
Name
Shumaker, Loop & Kendrick, LLP, 1000 Jackson Street
Mailing Address
Toledo Ohio 43604
City State Zip Code

Must be signed by the
incorporators or a
majority of the
incorporators

Signature

Signature

Signature

ACCEPTANCE OF APPOINTMENT

The Undersigned, Eric D. Britton, named herein as the
Statutory Agent Name

Statutory agent for Surface Chemists of Florida, Inc.
Association Name

hereby acknowledges and accepts the appointment of statutory agent for said association.

Statutory Agent Signature

Eric D. Britton
Individual Agent's Signature / Signature on behalf of Business Serving as Agent

Doc ID -->

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By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required

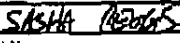
Articles and original appointment of agent must be signed by the incorporators.

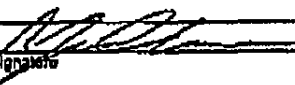
If the incorporator is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.


If the incorporator is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

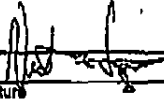
Signature 


By

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**ARTICLES OF INCORPORATION
OF
SURFACE CHEMISTS OF FLORIDA, INC.**

Surface Chemists of Florida, Inc., (the Cooperative Association), intending to be a worker cooperative association organized under Chapter 1729 of the Ohio Revised Code adopts Articles of Incorporation as follows:

**ARTICLE 1
NAME**

The name of the Association is Surface Chemists of Florida, Inc.

**ARTICLE 2
PURPOSE**

The purpose for which the Cooperative Association is formed is to allow the workers of Surface Chemists of Florida to work together for their mutual economic benefit through joint action in marketing their skills, labor, and productivity as a worker cooperative. The purpose and general nature of its business is to develop, produce, and distribute surface chemistry technology and products and to provide related services and supplies. The Cooperative Association may also engage in any other lawful business or activity for which an association may be organized under Chapter 1729 of the Ohio Revised Code (the Ohio Cooperative Law).

**ARTICLE 3
PRINCIPAL PLACE OF BUSINESS**

The principal place of business of the Cooperative Association in Ohio is in Toledo, Lucas County, Ohio.

**ARTICLE 4
NAMES AND ADDRESSES OF INCORPORATORS**

The names and addresses of the Incorporators (pursuant to Ohio Revised Code Section 1529.06, there must be two or more incorporators).

Name: Jason Glover	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Victor Granquist	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Sasha Peggs	Address: 1303 Park Lane South, Jupiter, FL 33458

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Articles - Page 1

Doc ID → 201512100935

ARTICLE 5 **DIRECTORS**

The Cooperative Association will have five (5) directors, except as this may be modified from time to time pursuant to the Code of Regulations.

ARTICLE 6 **INITIAL DIRECTORS**

The names and addresses of those who are to serve as directors until the first meeting of members or until the election and qualification of their successors.

Name: Jason Glover	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Victor Granquist	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Kevin Bealisto	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Sasha Peggs	Address: 1303 Park Lane South, Jupiter, FL 33458
Name: Alice P. Hudson	Address: 1303 Park Lane South, Jupiter, FL 33458

ARTICLE 7 **CAPITAL STOCK**

7.1 **CAPITAL STOCK.** The Cooperative Association is being organized with capital stock, divided into shares and classes as follows:

- A. **Class A Common** – One Hundred (100) shares Class A Common with par value of One Thousand Dollars (\$1000) per share.
- B. **Class B Common** – One Hundred (100) shares Class B Common with par value of One Thousand Dollars (\$1000) per share.
- C. **Preferred** – One Thousand Three Hundred (1,300) shares Preferred Stock with par value of One Thousand Dollars (\$1,000) per share.

7.2 **CLASS A COMMON STOCK.**

- A. **Eligible Holders.** Only Voting Members of the Cooperative Association are eligible to acquire and hold Class A Common stock. Class A Common stock may not be transferred, sold, or issued to a person who is not a Voting Member of the Cooperative Association and any attempt to do so is void and without effect.
- B. **Disposition Of Class A Common Stock Held By Ineligible Holders.** If Class A

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Common stock comes into the possession of a person who is not a Voting Member, or a holder of Class A Common stock is ineligible for Voting Membership, the holder has no vote in the Cooperative Association. The Cooperative Association may purchase this Class A Common stock at the lesser of its par value or book value or convert the Class A Common stock into Preferred Stock or into Capital Credits with Stated Value equal to the par value of the Class A Common Stock. If the holder does not deliver the certificate evidencing the Class A Common stock, the Cooperative Association may cancel the certificate in its records and issue Capital Credits in replacement.

7.3 CLASS B COMMON STOCK.

A. **Eligible Holders.** All authorized shares of Class B Common stock will be issued to the shareholders of Surface Chemists of Florida, Inc. (a Florida corporation) and the shareholders of Surfactant Technologies Corporation (a Florida corporation) upon the merger of Surface Chemists of Florida, Inc. and Surfactant Technologies Corporation with and into the Cooperative Association.

B. **Disposition Of Class A Common Stock** The Class B Common stock is issued subject to the right of the Cooperative Association to redeem the shares of Class B Common stock as provided in the terms of a Stock Redemption Agreement between the holder of the Class B common stock, the Cooperative Association, and the Members of the Cooperative Association. Once redeemed, shares of Class B Common stock may not be reissued.

C. **Disposition Of Class B Common Stock Held By Ineligible Holders.** If Class B Common stock comes into the possession of a person who is not eligible for Membership, the holder has no vote in the Cooperative Association. The Cooperative Association may purchase this Class B Common stock at the lesser of its par value or book value or convert the Class B Common stock into Preferred Stock or into Capital Credits with Stated Value equal to the lesser of its par value or the current fair market value of the Class B Common Stock. If the holder does not deliver the certificate evidencing the Class B Common stock, the Cooperative Association may cancel the certificate in its records and issue Capital Credits in replacement.

7.4 PREFERRED STOCK.

A. **Eligible Holders.** Shares of Preferred stock may be issued or transferred to any person, subject to the terms and conditions of these Articles of Incorporation.

B. **Preferred Stock In Series.** Preferred stock may be issued in separate series of one or more shares as designated by the Board of Directors.

7.5 **CAPITAL CREDITS.** The Cooperative Association may issue Capital Credits that represent ownership of a stated portion (Stated Value) of the Cooperative Association's equity capital. Capital Credits may be issued as evidence of Patronage Refunds as defined and provided in the Bylaws. Capital Credits do not have preference over other

Doc ID -> 201512100935

Capital Credits. Capital Credits may not be issued for less consideration than their Stated Value. Capital Credits may be issued or transferred to any person, subject to the terms and conditions of these Articles of Incorporation.

7.6 DIVIDENDS ON CAPITAL STOCK AND CAPITAL CREDITS.

- A. Preferred. When the Board of Directors designates a series of Preferred stock, the Board of Directors must establish dividend rights, if any, for the series. Dividends on any series of Preferred stock are non-cumulative and may not exceed eight percent (8%) of par value per annum. The right to payment of dividends on each series of Preferred stock has equal priority and preference with the right to payment of dividends on other series of Preferred stock.
- B. Class A Common. There are no dividends payable on Class A Common stock.
- C. Class B Common. The Cooperative Association may pay non-cumulative dividends on Class B Common stock if, when and in such amount as may be determined by the Board of Directors, subject to the terms of the Share Redemption Agreement between the holder and the Cooperative Association.
- D. Capital Credits. There are no dividends on Capital Credits.
- E. Condition Of Payment Of Dividends. It is a condition of all dividends that are declared and payable on the Cooperative Association's capital stock that the Cooperative Association can confirm the current address and status of the holder. If, after reasonable inquiry, the current address and status of a holder cannot be confirmed, no dividend may be declared or paid on the capital stock held by that holder. No dividends may be paid if there are not sufficient unallocated amounts in the Cooperative Association's Capital Reserve (defined in the Bylaws) from which dividends can be paid.

7.7 PATRONAGE REFUNDS. The Net Margins of the Cooperative Association in excess of Association Net Margins (as these terms are described in the Bylaws) must be allocated and distributed annually to the Cooperative Association's Members who qualify Patrons as Patronage Refunds(as these terms are described in the Bylaws). The calculation, allocation, and distribution of Patronage Refunds are further described and defined in the Bylaws.

7.8 TRANSFER OF CAPITAL STOCK AND CAPITAL CREDITS. Capital Credits and shares of capital stock issued by the Cooperative Association may not be transferred or encumbered without written consent of the Board of Directors.

7.9 REDEMPTION OF CAPITAL STOCK AND CAPITAL CREDITS.

- A. Class A Common, Preferred, Capital Credits. Capital Credits and shares of Class A Common and Preferred stock issued by the Cooperative Association may be redeemed when and in a manner and order determined by the Board of Directors. Class A Common stock, Preferred stock, and Capital Credits may be

Doc ID --> 201512100935

redeemed at the lesser of par value (Stated Value in the case of Capital Credits) or book value of the stock and Capital Credits, unless otherwise provided in a written subscription. If an affected stockholder is entitled under the Ohio Cooperative Law to receive "fair cash value" for Preferred stock or Capital Credits, the fair cash value will be the lesser of par value (Stated Value in the case of Capital Credits) or book value of the stock or Capital Credits unless otherwise provided in a written subscription.

- B. **Class B Common.** Class B Common stock may be redeemed when and in a manner and order determined by the Board of Directors, provided that shares of Class B Common stock must be redeemed at the times and to the extent provided in the terms of the Share Redemption Agreement.

7.10 **LIEN AND RIGHT OF OFFSET.** The Cooperative Association has a first lien and security interest in each holder's capital stock, dividends on capital stock, Patronage Refunds, and Capital Credits for debts or other obligations of the holder to the Cooperative Association. At the option of the Board of Directors, the Cooperative Association may offset the amount of any dividends and the present value (based on the Cooperative Association's history of equity redemption) of the holder's capital stock, Patronage Refunds, and Capital Credits against the obligations; but nothing in these Articles of Incorporation gives the holder any right to require an offset.

7.11 **CONDITION OF FORFEITURE.** It is a condition of all Class A Common stock, Preferred stock, dividends on capital stock, Capital Credits, and Patronage Refunds declared, issued or allocated by the Cooperative Association that the Cooperative Association may effect forfeiture to the Cooperative Association of the stock, dividends, Patronage Refunds or Capital Credits issued or allocated to a person whose current address and status cannot be confirmed by the Cooperative Association, as provided and permitted in the Ohio Cooperative Law.

ARTICLE 8 MEMBERSHIP

8.1 MEMBER ELIGIBILITY.

- A. **Voting Members.** The Cooperative Association has Voting Members. To be eligible for Voting Membership in the Cooperative Association a person must:
1. Be an individual providing services to the Cooperative Association (or, prior to the effective date of the merger with Surface Chemists of Florida, Inc., to Surface Chemists of Florida, Inc.) on a regular and on-going basis, either as a common law employee or as a consultant. For this purpose, the term "consultant" shall mean an individual who is performing services for the Cooperative Association on a regular and on-going basis, but as an independent contractor, not as a common law employee;
 2. Be accepted to Voting Membership by the Board of Directors; and

Doc ID --> 201512100935

3. Acquire the amount of Membership Stock required under the Member's Membership Agreement.
- B. Non-Voting Members. The Cooperative Association may have Non-Voting Members. To be eligible for Non-Voting Membership in the Cooperative Association a person must be an employee of the Association or a former employee of the Cooperative Association, and be accepted to Non-Voting Membership by the Board of Directors.
- C. Further Definition of Members. The requirements for Membership in the Cooperative Association may be subject to additional terms stated in the Bylaws, as amended from time to time.

8.2 VOTING.

- A. Member Voting. The Voting Members are entitled to exercise all of the voting control of the Cooperative Association except as reserved to the holder of Class B Common stock in Article 8.2(B). Each Voting Member is entitled to one vote in the election of Directors and on every other matter submitted to a vote of the Members of the Cooperative Association. Non-Voting Membership or ownership of capital stock or other equity interests in the Cooperative Association does not confer upon the holder any voting rights in the Cooperative Association, except as reserved to holder of Class B Common stock in Article 8.2(B).
- B. Holder of Class B Common stock As Affected Stockholder. The holder of Class B Common stock is entitled to vote in the manner provided for affected stockholders in Section 1729.09 of the Ohio Cooperative Law on any matter that would:
 1. Cause the Cooperative Association to cease operation as an employee cooperative; or
 2. Amend, impair, or delete interests or rights of the holder of Class B Common stock under these Articles of Incorporation, the Bylaws, or the Share Redemption Agreement.
- C. Voting Procedure. Absentee Votes may be cast as provided in the Bylaws. Cumulative voting and proxy voting are not permitted.

ARTICLE 9 MANAGEMENT BY BOARD OF DIRECTORS

MANAGEMENT BY BOARD OF DIRECTORS. Government of the Cooperative Association and the management of its affairs are vested in a Board of Directors. The Bylaws must prescribe the qualifications, number, classification, terms and manner of selection of Directors.

Doc ID → 201512100935

**ARTICLE 10
DISSOLUTION**

If the Cooperative Association dissolves, liquidates, and winds up its affairs, whether voluntary or involuntary, any property remaining after all creditors have been paid belong and must be distributed to the Members, holders of Class B Common stock, and other shareholders in the following priority:

- 10.1 **PREFERRED STOCK.** First, to the holders of each series of Preferred stock, in equal preference, the par value of their shares;
- 10.2 **CLASS B COMMON STOCK.** Then, to the holder of Class B Common stock, the greater of the par value or the remainder of the purchase price payable for the outstanding shares of the Class B Common stock under the terms of the Stock Redemption Agreement (if any).
- 10.3 **COMMON STOCK AND CAPITAL CREDITS.** Then, to the holders of Capital Credits, the Stated Value of their credits and to the holders of Common stock, the par value of their share(s) of Common stock, in equal preference;
- 10.4 **REMAINDER.** Then, any property remaining to the Members on the basis of their respective aggregate Patronage Transactions over the previous seven (7) years as shown by the records of the Cooperative Association.

**ARTICLE 11
AMENDMENT OF ARTICLES OF INCORPORATION**

The Voting Members may amend these Articles of Incorporation by an affirmative vote of sixty percent (60%) of the Voting Members, provided that any amendment of these Articles of Incorporation which would amend or impair the rights of the holders of the Class B Common stock shall be subject to the right of affected stockholder(s) under Article 8.2(B). Notice of any proposal to amend the Articles of Incorporation must contain the text of the proposed amendment.