

Butler County Rural Electric Cooperative

ARTICLES OF INCORPORATION

as

Adopted June 29, 1936

Amended February 15, 1937

Amended February 14, 1940

Amended February 11, 1942

Amended February 9, 1949

Amended February 14, 1962

Amended February 28, 1974

Amended February 17, 1977

Amended March 10, 1988

Amended March 8, 1997

Amended March 14, 1998

Amended March 24, 2012

Amended April 6, 2013

Amended April 6, 2019

We, whose names are hereunto subscribed, hereby associate ourselves into an incorporated cooperative association under the provisions of Chapter 94 of the Acts of the 46th General Assembly of the State of Iowa (Chapter 499 of the 1997 Code of the State of Iowa), assuming all of the powers, rights, and privileges granted to, and all of the duties and obligations imposed upon, incorporated cooperative associations by said chapter, and for such purposes do adopt the following articles of incorporation:

ARTICLE I

The name of this Association shall be BUTLER COUNTY RURAL ELECTRIC COOPERATIVE.

ARTICLE II

The principal place of business and office of this Association shall be at Allison, Butler County, Iowa.

ARTICLE III

The Association is organized under the provisions of Chapter 94 of the Acts of the 46th General Assembly of the State of Iowa, known as Chapter 499, Code of Iowa, 1997.

ARTICLE IV

The purpose or purposes for which this Association is formed are:

- 1) To generate, manufacture, purchase, acquire, and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy to its members, and to construct, erect, purchase, lease as leasee, and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment, and communication, telecommunications, engineering, computer, master billings, centralized printing, land and industrial development, group purchasing, inventory control, telephone, water supply, waste management, television and/or transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purposes. The cooperative may do and perform any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes as set forth in this article and in this section, or as may be permitted by the provisions of the laws under which the Association is formed; and to exercise any of its powers anywhere.
- 2) To purchase, receive, lease as leasee, or in any other manner acquire, own, hold, maintain, use, sell, convey, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable this Association to accomplish any and all of its purposes.
- 3) To acquire, own, hold, use, exercise, and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of this Association.
- 4) To assist its members by wiring or causing to be wired their premises and by installing and causing to be installed therein electric plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and, in connection therewith and for such purposes, to enter into and carry out all agreements necessary and advisable in connection therewith, and to purchase, acquire, lease, sell, distribute, install and repair electric and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and to receive, acquire, endorse, guarantee, pledge, hypothecate, transfer, and otherwise dispose of notes and other evidences of indebtedness and all security therefor.
- 5) To borrow money and otherwise contract indebtedness and give any form of obligation or security therefor and without limiting the generality of the foregoing, to issue notes, bonds and other evidences of indebtedness, and to mortgage or pledge any of its property, assets, franchises and income.
- 6) To make advances to or for account of members and take any form of obligation or security therefor, to acquire, hold, transfer or pledge any obligation, and to make any contract, endorsement or guaranty deemed desirable incident to the transfer or pledge of any such obligation or security.
- 7) To become a member of any federated cooperative association whose membership is restricted to incorporated cooperative associations and as the Board of Directors of the Association in its discretion may determine.
- 8) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes and to exercise any of its powers anywhere.

ARTICLE V

The duration of this Association shall be perpetual.

ARTICLE VI

The name, occupation and post office address of each of the incorporators of this Association is:

<u>NAME</u>	<u>OCCUPATION</u>	<u>POST OFFICE ADDRESS</u>
E. N. Neal	Farmer	Shell Rock, IA.
Geo. J. Weinberg	Farmer	Clarksville, IA.
Ben Smeins	Farmer	Aplington, IA.
Eldo Meyne	Farmer	Greene, IA.
L. G. Scallon	Farmer	Ackley, IA.
J. F. Hartwig	Farmer	Shell Rock, IA.
Thaus Jungling	Farmer	Parkersburg, IA.
O. E. Sutcliffe	Farmer	Clarksville, IA.
Ira Marsh	Farmer	Greene, IA.
Carroll Riggins	Farmer	Greene, IA.
Ben J. Trey	Farmer	Parkersburg, IA.
L. A. Bates	Farmer	Allison, IA.
H. V. Huisinga	Farmer	Parkersburg, IA.
F. H. Methfessel	Farmer	Clarksville, IA.
Dayton M. Mather	Farmer	Greene, IA.

ARTICLE VII

- 1) Any individual, firm, association, corporation, partnership or other organization, or any individual acting as an accredited representative of any firm, association, corporation, partnership or other organization, may become a member of this Association by (a) agreeing to purchase from the Association the amount of electric energy hereinafter in Section 3 of this Article specified, and (b) agreeing to comply with and to be bound by these Articles of Incorporation, the By-Laws of the Association and such rules and regulations as may from time to time be adopted by the Board of Directors of the Association. A husband and a wife may jointly become a member in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions (a) and (b).
- 2) A membership certificate in this Association shall be issued to each member. No person or persons shall hold office until his/her certificate of membership shall have been issued.
- 3) Each member shall purchase from this Association monthly not less than the minimum amount of electric energy which shall from time to time be fixed by resolution of the Board of Directors and shall pay therefor and for all additional electric energy used by him, the price which shall from time to time be fixed therefor by resolution of the Board of Directors. Each member shall also pay all obligations which may from time to time become due and payable to this Association as and when the same shall become due and payable. Each member shall comply with such rules and regulations as may from time to time be adopted by the Board of Directors.
- 4) This Association shall have no capital stock but membership shall be evidenced by a certificate of membership.
- 5) No membership shall be transferable, and all certificates thereof shall be surrendered by the Association upon voluntary withdrawal by members.

- a) Provided, however, that a membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (b) and (c) of Section 1 of this article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original certificate representing the membership so transferred.
 - b) When a membership is held jointly by a husband and wife, upon the death of either such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative the certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership, debts or liabilities to the Cooperative.
- 6) No member of this Association may own more than one membership and each member shall be entitled to one vote and no more at all corporate meetings. Votes shall be cast in person, by mail, or through other electronic means if approved by the Board of Directors. Proxy voting shall not be permitted.
 - 7) No dividends shall be paid upon the issuing price of membership in this Association. Subject to the obligations of the Association with respect to moneys borrowed and to the provisions of any mortgage or other security given to secure such obligations, the Directors shall annually dispose of the earnings of the Association in excess of its operating expenses as follows:
 - a) To provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses.
 - b) At least ten percent (10%) of the remaining earnings must be added to surplus until surplus equals either thirty percent (30%) of the total of all capital paid in for stock or memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from nonmember business, and earnings arising from the earnings of other cooperative organizations of which the Association is a member, or one thousand dollars (\$1,000), whichever is greater. No addition shall be made to surplus when it exceeds either fifty percent (50%) of the total or one thousand dollars (\$1,000), whichever is greater, without approval of the membership by a majority of votes cast.
 - c) All remaining net earnings shall be allocated to the account of each member ratably in proportion to the business the member has done with the Association during that year. The directors shall determine the percentage or the amount of said allocation that currently shall be paid in cash. All said remaining allocation not so paid in cash shall be transferred to a revolving fund and credited to the account of each member. Such credits are herein referred to as "Deferred patronage dividends."
 - 8) The members may, at any meeting, control the amount to be allocated to surplus or educational fund within the limits specified in paragraph numbered 7 of this Article VII.
 - 9) The Directors may use the revolving fund to pay the obligations or add to the capital of the association. In such event the deferred patronage dividends allocated to members shall constitute a charge upon the revolving fund and future additions thereto. Deferred patronage dividends for any year shall have priority over those for any subsequent year, except that the Directors may, at their discretion, pay deferred patronage dividends of deceased natural persons who were members, and may pay all other deferred patronage dividends, without reference to the order of priority herein prescribed, and as in Section 16 of this Article VII provided.

- 10) This Association may issue certificates for deferred patronage dividends which certificates may be transferable or nontransferable as the Board of Directors may, from time to time, determine.
- 11) Credits or certificates referred to in paragraphs numbered 9 and 10 of this Article VII 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 paragraph numbered 9 of this Article VII.
- 12) The Directors of this Association may expel any member if he has attempted to transfer his membership or has willfully violated any provisions of these Articles of Incorporation or By-Laws of this Association, or who has ceased to be eligible to membership in this Association, or who has failed to pay any debt or obligation due this Association when and as due.
- 13) If a member dies or becomes ineligible, or is expelled, his membership shall forthwith be cancelled. In cases of expulsion the Association shall pay him the value of his membership as shown by the books of the Association on the date of cancellation but not more than the original issuing price of such membership. Such payment shall be made within sixty (60) days after such expulsion. In case of death, payment of such value shall be made to the personal representative of such deceased member within (2) years after his death. In case of ineligibility, payment of such value shall be made to the member who has become ineligible within (2) years after the date of his ineligibility. Interest shall not in any case, be paid upon the value of membership determined as herein above provided.
- 14) Members of this Association may voluntarily withdraw from membership upon payment in full of all debts and obligations to this Association and upon compliance with and performance of all contracts with this Association. Upon any such withdrawal, the Association shall not pay the original issuing price of book value of membership to the individual who so voluntarily withdraws.
- 15) The death, expulsion or withdrawal of the member of this Association shall not impair his debts, obligations or liabilities to this Association.
- 16) Upon dissolution or liquidation, the assets of this Association shall be applied, first, to pay liquidation expenses, next to pay obligations of this Association other than patronage dividends or certificates issued therefor; and the remainder of such assets shall be distributed in the following priority:
 - a) To pay any deferred patronage dividends or certificates issued therefor. If the fund is insufficient to pay them all, it shall be prorated regardless of the priority specified in paragraph numbered 9 of this Article VII.
 - b) To pay members the amount for which their memberships were originally issued, without interest or dividends thereon.
 - c) Any remaining assets shall be distributed to the members and former members in direct proportion to the amount of their deferred patronage dividends in existence as of the date of dissolution or liquidation, insofar as practicable.
- 17) The private property of the members of this Association shall be exempt from execution for the debts of this Association, and the said members shall incur no personal liability for the obligations of the Association.
- 18) The Directors may, from time to time, prescribe charges to be made to each member for services rendered him or upon products sold to him and the time and manner of collection.

ARTICLE VIII

- 1) The Annual or Special meetings of the members of this Association shall be held at any city or town within the geographical area serviced by the Association, which includes the counties of Butler, Floyd, Chickasaw and Bremer, in the State of Iowa, at such places and dates as shall from time to time be fixed by the Board of Directors of this Association.
- 2) The Directors may call special meetings of members and shall do so upon written demand of twenty per centum (20%) of the members.
- 3) Unless he waives it in writing, each member shall be entitled to receive ten (10) days written notice of the time and place of all meetings and of the purpose of all special meetings. Such notice shall be given to him in person or by mail directed to his address as shown on the books of the Association.

ARTICLE IX

- 1) The business affairs of this Association shall be managed by a Board of Directors. No individual shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:
 - a) is not a member of the Cooperative receiving service from the Cooperative within the area from which the director is elected;
 - b) is adjudged to be guilty of a felony within five (5) years preceding a director candidate's nomination or during service on the Board of Directors;
 - c) is or becomes an employee of the Cooperative within three (3) years preceding a director candidate's nomination;
 - d) is or becomes, or at any time during the five (5) years preceding a director candidate's nomination shall have been employed by a labor union which represents, or has represented, or has endeavored to represent any employee of the Cooperative;
 - e) is a grandparent, parent, co-habitant, child, or grandchild of an employee of the Cooperative;
 - f) is a person that is a grandparent, parent, co-habitant, child, or grandchild of a director;
 - g) is in any way employed or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business;
 - h) is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director;
 - i) is engaged in conduct that is a violation of law or violation of a Cooperative policy or policies, or whenever a director has materially failed to satisfy his/her duties as a director, including the duty to regularly attend meetings of the Board of Directors;
 - j) is employed by, materially affiliated with, or has a financial interest in, any individual or entity possessing a conflict of interest with the Cooperative or a Cooperative subsidiary, other than such potential conflict which might normally exist as a member of the Cooperative purchasing service from the Cooperative; or
 - k) is or becomes incapable of accomplishing the fiduciary responsibilities of a director due to diminished mental or physical capacity, which determination must be made by a medical professional.

For purposes of this section, financially interested shall not include beneficial ownership of less than 5% of the bonds or the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange or quoted on NASDAQ.

Nothing in this section contained shall, or shall be construed to, affect in any manner the validity of any action taken at any meeting of the Board of Directors.

- 2) The initial Board consisting of seventeen (17) members elected at the first annual meeting shall serve until the second annual election of this Association. That thereafter the Board of Directors of said Association shall consist of only nine (9) members to be elected as hereinafter provided.
- 3) That at the second annual meeting held on February 10, 1937, nine (9) directors shall be elected to serve until the next succeeding annual meeting of the members and until their respective successors shall have been elected and qualified. At said annual meeting the directors shall be divided into three (3) classes, each class consisting of three (3) directors. At such meeting the directors of the first class shall be elected for the term of one (1) year, and those of the second class shall be elected for the term of two (2) years, and those of the third class shall be elected for the term of three (3) years. At each regular annual meeting thereafter, a number of directors equal to the number of directors whose terms expire at the time of such meeting shall be elected to hold office for the term of three (3) years, and until their respective successors shall have been elected and qualified. The election of the directors shall be by ballot and each voting member shall be entitled to cast one (1) vote for each director to be elected.
- 4) Subject to the provisions of section 4 of this Article IX, any vacancy in the Board of Directors may be filled by a majority vote of the remaining directors, and the director thus elected shall serve until the next regular annual meeting of the members, at which time a director shall be elected for the balance of the term of the director whose office shall have become vacant and until his successor shall have been elected and qualified.
- 5) At any meeting of the members called for that purpose, any officer or director may be removed by vote of a majority of all voting members of the Association. Any vacancy in the Board of Directors pursuant to Section 4 may be filled at the same meeting at which such vacancy is created and the director so elected shall hold office until the next succeeding regular annual meeting of the members of the Association and until his successor shall have been elected and qualified. In case of the failure to fill such vacancy at such meeting, the Board of Directors may fill the vacancy at any subsequent meeting of the Board in the manner and for the term specified in Section 3 of this Article IX.

ARTICLE X

Sale or Other Disposition of Assets Other Than in Regular Course of Business.

- 1) A sale, lease, exchange or other disposition of all or substantially all of the property and assets of the cooperative, with or without the good will, if not made in the usual and regular course of business, may be made upon terms and conditions and for such consideration which may consist in whole or in part of money or property, real or personal, including shares of any other cooperative association organized under the statutes of the State of Iowa, as long as such sale, lease, exchange or other disposition is authorized in the following manner:
 - a) The Board of Directors of the cooperative shall adopt a resolution recommending the sale, lease, exchange, or other disposition and directing the submission thereof to a vote at a meeting of the membership, which may be either an annual or special meeting.
 - b) Written or printed notice of the proposal shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided by these Articles of Incorporation for the giving of notice of meetings of members and whether the meeting be an annual or special meeting, shall state that the purpose, or one of the purposes of the meeting is to consider the proposed sale, lease, exchange or other disposition of substantially all of the property and assets of this cooperative.

- c) At the meeting the membership may authorize the sale, lease, exchange or other disposition and may fix, or may authorize the Board of Directors to fix, any and all of the terms and conditions thereof and the consideration to be received by this cooperative. Such authorization shall be approved if two-thirds of the members vote affirmatively on a ballot on which a majority of all voting members of the cooperative participate.
- d) After the authorization by the vote of members, the Board of Directors of the cooperative may nevertheless in its discretion abandon the sale, lease, exchange or other disposition of assets, subject to the rights of third parties under any contracts relating thereto without further action or approval by the members.

ARTICLE XI

Personal Liability of Directors, Officers, Employees, or Members.

Except as otherwise provided by Iowa law, a director, officer, employee, or member of the cooperative is not liable on the debts or obligations, and a director, officer, member or other volunteer is not personally liable in that capacity for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the cooperative, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

The cooperative may indemnify any present or former director, officer, employee, member or volunteer in the manner and in the instances authorized in Section 499.59A Iowa Code (2011) as amended.

ARTICLE XII

The Board of Directors of the Association may adopt, amend or repeal By-Laws for the Association, provided, however, that any section or sections of the By-Laws adopted or amended by the vote of the members of the Association may be amended only by a vote of the members, unless otherwise provided by the members.

ARTICLE XIII

This Association reserves the right to annul, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

ARTICLE XIV

Words and phrases used in these Articles of Incorporation shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

ARTICLE XV

The Association shall attempt to resolve any claim or dispute which may arise between the Association and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Association shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) these Articles of Incorporation; (4) the Association's bylaws, policies, practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Association's resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and when appropriate, the applicable regulatory body with jurisdiction over the Association and the matter.

All other claims and disputes shall, at the request of either the Association or the member, former member, or customer who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such shall, at the request of either the Association or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Association. In absence of such policies, or in the event such policies are incomplete, the provisions of Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Association.

Notwithstanding the foregoing, the Association reserves the right to pursue collection of a debt owed by any member, former member, or customer who has received electric service through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in this Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Association. The Bylaws and these Articles of Incorporation constitute an agreement between the Association and the members.

AMENDED AND SUBSTITUTED BY-LAWS

of

Butler County Rural Electric Cooperative

Article I - MEMBERS

- 1) The limitations, conditions, restrictions and rights pertaining to membership and the privileges, duties and obligations of members are set forth in the Articles of Incorporation of this Association which are made a part hereof.
- 2) All service lines and all meters, switches and other appliances and equipment constructed or installed by the Association in or on the property of any member, except so much thereof, if any, as shall be paid for by the member, shall at all times be the property of the Association, and the Association shall have the right and privilege to enter upon the premises of any member to repair or service the same, and upon the discontinuance of the service for any reason, to remove the same.
- 3) Corporations which are members of this Association shall designate in writing a person as the authorized representative of the Corporation. Such authorized representative shall exercise all rights of such membership including, but not limited to voting, serving as a member of the Board of Directors, or as an officer of the Association.

It is the intent of the Association that the term “member” as used in the Articles and By-Laws shall include both individual members and authorized representatives of corporations that are members.

Article II - MEETING OF MEMBERS

- 1) The Annual or Special meetings of the members of this Association shall be held at any city or town within the geographical area serviced by the Association, which includes the counties of Butler, Floyd, Chickasaw and Bremer, in the State of Iowa, at such places and dates as shall from time to time be fixed by the Board of Directors of this Association. Such meetings may be held by virtual or remote means, to an extent not inconsistent with the Articles of Incorporation or applicable law. To the extent the meeting is held by virtual or remote means, the Board of Directors shall adopt a policy whereby members may provide input and have matters considered at said meeting.
- 2) Ten per centum (10 percent) or more of the members of this Association present in person, represented by mail ballots, or through other electronic means approved by the Board of Directors shall constitute a quorum for the transaction of business at all meetings of the members of this Association, excepting and provided, however, that so long as the total number of members of said Association shall exceed five hundred (500) then and during all such period, fifty (50) or more members present in person, represented by mail ballots, or other electronic means shall be sufficient to constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

- 3) Each member shall be entitled to one vote upon each matter submitted to the members at any meeting of members. If a member is legally married and his/her spouse is directly or indirectly receiving benefits from the service being provided, then the spouse of said member shall be entitled to cast the member's one vote at the meeting. At all meetings of members at which a quorum is present, all questions shall be decided by a vote of a majority of the members present in person, voting by mail, or other electronic means except as otherwise provided by law, the Articles of Incorporation of this Association, or these By-Laws. Any matter to be voted upon at the meeting shall be included on the ballot. The election of the directors shall be by ballot, and each member shall have the right to cast one vote for each of the vacancies to be filled at the meeting. A printed ballot which groups the nominees according to the general area of each vacancy, shall be distributed to each voting member. Members may vote for only one of the persons nominated within each general area of the vacancy.

If there are greater than two persons nominated in any one general area pursuant to the nomination procedures set forth in Article III of these By-Laws, the election shall be conducted by plurality voting, meaning the candidate receiving the highest number of votes in the general area on the election ballot shall be the elected director from that general area.

- 4) The Secretary of this Association shall, at least fifteen (15) days prior to each meeting of the members of this Association, make a complete list arranged in alphabetical order of the members entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and the place of each meeting and shall be subject to the inspection of any member during the time of the meeting.
- 5) Business at the annual meeting of the members of this association, and, so far as possible, at all other meetings of the members shall be conducted in accordance with Roberts Rules of Order. Unless otherwise specified by the Board of Directors, the corporate attorney shall serve as parliamentarian.
- 6) The order of business at the annual meeting of the members of this Association, and, so far as possible, at all other meetings of the members of this Association, shall be as follows:
 - 1) Call of the roll.
 - 2) Approval of the agenda.
 - 3) Reading of the notice of the meeting, together with the proof of the due giving thereof.
 - 4) Presentation and reading of unapproved minutes of previous meetings of the members of this Association and the taking of necessary action thereon.
 - 5) Presentation and consideration of, and acting upon, reports of officers, directors and committees.
 - 6) Election of directors.
 - 7) Unfinished business.
 - 8) New business.
 - 9) Adjournment.

Article III - DIRECTORS

- 1) Not less than sixty (60) days prior to the regular annual meeting of members, the Board of Directors shall appoint a Nominating Committee of not less than three members of the Association who are not directors of the Association. The Nominating Committee shall prepare a list of nominees, residing in the general area of the vacancy, with at least one member nominated for each vacancy to be filled at the next annual meeting. The written list of nominations of the Nominating Committee shall be posted at the office of the Association not less than thirty days prior to mailing the notice of the annual meeting of members. For ten days after posting of the list of nominations by the committee, additional nominations of members residing in the general area of the vacancy may be made by written petition on forms provided on request of any member, and signed by not less than 20 members of the Association. Any member nominated shall give prior consent to such nomination whether by committee or petition. The notice of the annual meeting of members shall list the names of all nominees for the office of director.

In the event any member who is nominated either by the committee or petition withdraws consent, dies, or for any other reason is unable or declines to serve as a director, prior to the annual meeting but after the deadlines set forth above for posting and mailing of notices, and as a result thereof there remains only one nominee from the general area of any vacancy, then the committee on nominations shall be vested with full authority to nominate an additional member of the Association residing in the general area of the vacancy, so that two nominees from that area exist. If sufficient time exists prior to the annual meeting, the members of the Association shall be notified by mail of the new nomination. If sufficient time does not exist, prior to the election of directors at the annual meeting, a general announcement shall be made concerning the withdrawal, death, etc. of the person originally nominated, and the person subsequently nominated by the Nominating Committee.

- 2) The directors of this Association shall be elected for the terms and in the manner set forth in the Articles of Incorporation and these By-Laws, and shall be subject to removal as therein provided. No person shall be eligible to be nominated, elected, or continue to hold office as a director of this Association unless such person is a member of the Association and resides in the general area of the vacancy to be filled, or the vacancy filled by such director.

If a person who has been a director shall cease to reside within the general area of the vacancy which he or she filled, then such change of residence shall constitute a resignation from the Board of Directors, unless the Board of Directors in its sole discretion, and by majority vote, deems it in the best interests of the Cooperative to retain said person as a member of the Board of Directors until the next annual meeting. If a person who has been a director ceases to be a member of the Association, then such termination of membership shall constitute a resignation from the Board of Directors.

- 3) Directors as such shall not receive any stated salary for services but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors, or attendance at other meetings or other activities on behalf of the Cooperative when such attendance or activity is authorized by the Board of Directors.
- 4) The Directors may from time to time prescribe charges to be made to each member for services rendered to that member, or upon products sold to that member, the time and manner of payment therefor and penalties and conditions connected therewith as may seem to them proper.
- 5) The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with the Articles of Incorporation or these By-Laws or the laws of the State of Iowa for the management, administration and regulation of the business and affairs of this association as the Board of Directors may deem advisable.

Article IV - MEETINGS OF DIRECTORS

- 1) A regular meeting of the Board of Directors shall be held without notice other than this By-Law, immediately after, and at the same place as each annual meeting of the members of this Association. A regular meeting of the Board of Directors shall also be held monthly at such time and place as the Board may provide by resolution. Such regular meeting may be held without notice other than such resolution fixing the time and place thereof. The Board of Directors may permit any or all directors to participate in a regular or special meeting through the use of any means of communication by which all directors participating are able to simultaneously hear each other during the meeting. A director participating in a meeting pursuant to this section is deemed to be present in person at the meeting.
- 2) Special meetings of the Board of Directors may be called by the President or any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them.
- 3) Notice of the time, place and purpose of any special meeting shall be given at least two (2) days previous thereto, by written notice, delivered personally or mailed, to each director at the last known address of that director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.
- 4) A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors shall be present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- 5) The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Article V - OFFICERS

- 1) The officers of this Association shall be a president, vice-president, a secretary, a treasurer, an assistant secretary-treasurer, an executive vice-president and such other officers or assistant officers as may be elected by the Board of Directors. The offices of secretary and treasurer, or assistant secretary and treasurer, may, by resolution of the Board of Directors, be combined.
- 2) The officers of this Association shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members of this Association. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. The president, vice-president, secretary, treasurer, and assistant secretary-treasurer shall hold office until the next annual meeting of the Board of Directors and until their successors shall be chosen and shall qualify, unless removed as hereinafter provided. In addition to said officers elected at the annual meeting of the Board of Directors, the Board of Directors is vested with full authority to appoint, by a majority vote, such additional officers as it deems appropriate and in the best interests of the Association.
- 3) At any meeting called for that purpose, any officer of this Association may be removed by a vote of a majority of the members of this Association.

- 4) A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.
- 5) The President:
 - a) Shall be the principal executive officer of this Association and shall preside at all meetings of the members of this Association and of the Board of Directors;
 - b) May sign, with the Secretary, or Assistant Secretary, or any other proper officer, of this Association, authorized by the Board of Directors so to do, certificates for membership in this Association, any deeds, mortgages, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of this Association, or shall be required by law to be otherwise signed or executed; and
 - c) In general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- 6) In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned by the Board of Directors. However, this shall not preclude the Board of Directors from designating someone other than the President or the Vice-President to chair meetings of the members of this association.
- 7) The Secretary shall:
 - a) Keep the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose;
 - b) See that all notices are duly given in accordance with these By-Laws or as required by law;
 - c) Be custodian of the corporate records and of the seal of this Association and see that the seal of this Association is affixed to all certificates for membership prior to the issue thereof and to all documents, the execution of which on behalf of this Association under its seal is duly authorized in accordance with the provisions of these By-Laws;
 - d) Keep a register of the post office address of each member which shall be furnished to the Secretary by each member;
 - e) Sign with the President certificates for membership of this Association, the issue of which shall have been authorized by resolution of the Board of Directors;
 - f) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors.
- 8) In the absence of the Secretary, or in the event of the Secretary's inability or refusal to act, the Assistant Secretary shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary and shall perform such other duties as from time to time may be assigned by the Board of Directors.
- 9) The Treasurer shall:
 - a) Have charge and custody of and be responsible for all funds and securities of this Association;

- b) Receive and give receipts for moneys due and payable to this Association from any source whatsoever, and deposit all such moneys in the name of this Association in such banks as shall be selected in accordance with the provisions of paragraph numbered 2 of Article VI of these By-Laws; and
 - c) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.
- 10) In the absence of the Treasurer, or in the event of the Treasurer's inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer and shall perform such other duties as from time to time may be assigned by the Board of Directors.
 - 11) Any other officers or assistant officers elected by the Board of Directors shall perform such duties as shall be assigned to them by their superior officers or by the President of the Board of Directors.
 - 12) The Board of Directors may appoint a manager, who may be, but who shall not be required to be a member of this Association. The manager shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in the manager.
 - 13) The Board of Directors shall require the Treasurer and any manager and any other officer or employee of this Association charged with responsibility for the custody of any of its funds or property to give bonds for the faithful discharge of their duties, in such form and containing such terms and conditions, and with such surety or sureties as the Board of Directors shall determine.
 - 14) The salaries, duties and terms of employment of all employees of the Association shall be fixed and determined by the Board of Directors. The Board of Directors may adopt a Wage Policy establishing position descriptions and wage ranges within which the Manager may be authorized to fix individual employee salaries.
 - 15) The officers of this Association shall submit at each annual meeting of the members reports covering the business of this Association for the previous fiscal year and showing the condition of this Association at the close of such fiscal year.

Article VI - DEPOSITS, CHECKS AND EXECUTION OF INSTRUMENTS

- 1) All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers of the Association and in such manner as shall from time to time be determined by a resolution of the Board of Directors.
- 2) All funds of this Association shall be deposited from time to time to the credit of this Association in such financial institutions as the Board of Directors may select.
- 3) The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of this Association, and such authority may be general or confined to specific instances.

Article VII - MEMBERSHIP CERTIFICATES

- 1) Membership in the Association shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Association or these By-Laws. Such certificate shall be signed by the President and by the Secretary, and may be issued in either paper or electronic form.
- 2) No membership certificate shall be issued until the issuing price of such membership has been fully paid for in cash and such payment has been deposited with the Treasurer of the Association.
- 3) In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Association as the Board of Directors may prescribe.

Article VIII - FISCAL YEAR

The fiscal year of this Association shall begin on the first day of January in each year and end on the thirty-first day of December in each year.

Article IX - EARNINGS - DISTRIBUTION

The conduct of the business of this Association shall be upon the cooperative plan and the earnings of this Association shall be distributed among members in accordance with the Articles of Incorporation of this Association.

- 1) Each holder, assignee or transferee of deferred patronage dividends shall notify the Association in writing of the address to which any mail or notices should be sent.
- 2) Payment of deferred patronage dividends allocated pursuant to Article VII of the Articles of Incorporation of this Association shall be made in the following manner:
 - a) Payment of said dividends shall, in the case of active members, be either in the form of a check sent by First Class U.S. Mail to the current account address of the member as shown in the Cooperative's records or by credit against the member's account. Amounts payable to persons or entities which are not members at the time payment is made shall be paid by check sent by First Class U.S. Mail to the last known mailing address of said person or entity as furnished to the Association.
 - b) In the event checks issued in payment of deferred patronage dividends are returned or unclaimed, the Cooperative will make reasonable efforts to locate and attempt to deliver said payments, and may assess a reasonable charge as determined by the Board of Directors to recover the cost thereof. Any unclaimed patronage dividends may revert to the Association following the procedures provided in Iowa Code Section 499.30A.
 - c) Deferred patronage dividends may be assigned to the heirs or beneficiaries of a deceased member subject to the Cooperative's receipt of satisfactory evidence of said assignment.

Article X - SEAL

The corporate seal of this Association shall be in the form of a circle and shall have inscribed thereon the name of this Association and the words, "Corporate Seal, Iowa".

Article XI

The Board of Directors of the Association may adopt, amend or repeal By-Laws for the Association, provided, however, that any section or sections of the By-Laws adopted or amended by the vote of the members of the Association may be amended only by a vote of the members, unless otherwise provided by the members.