

# BY-LAWS

*(As amended to October 2023)*

## ARTICLE I Members

**Section 1. Qualifications and Obligations.** The incorporators of the Cooperative shall be members of the Cooperative. Any individual, or association, corporation, partnership, or organization which requires the services rendered by this Cooperative (including without limiting the generality of the foregoing, any other cooperative association formed under Chapter 499 of the Code of Iowa and engaged in any activity in which this Cooperative is engaged), may become a member of this Cooperative (a) by agreeing to purchase from this Cooperative the amount of electric energy hereinafter in Section 3 of this Article specified; (b) by agreeing to comply with and to be bound by the Articles of Incorporation, the By-Laws of this Cooperative, and any amendments thereof, and such rules and regulations as may from time to time be adopted by the Board of Directors of this Cooperative; provided, however, that no individual, except the incorporators of the Cooperative, shall become a member in the Cooperative unless and until he has been accepted for membership by the affirmative vote of a majority of the members of the Board of Directors of the Cooperative; provided, however, that if any applicant's application for membership has not been accepted or has been rejected by the Board of Directors prior to the first annual meeting of the members following the date of the application such application shall be submitted to such meeting by the Board of Directors and subject to compliance with the conditions set forth in subdivisions (a) and (b), of this section, such application for membership may be accepted by a vote of the members at such meeting and the action of the members with respect thereto shall be final. The Secretary of the Cooperative shall give any such applicant at least ten (10) days prior notice of the date of the members' meeting to which his application will be submitted and such applicant may be present and heard at the meeting.

Spouses may jointly become a member and their application for joint membership may be accepted in accordance with the foregoing provisions of this section provided the spouses comply jointly with the provisions of the above subdivisions (a) and (b).

**Section 2. Membership Certificate.** This Cooperative shall have no capital stock but membership in this Cooperative shall be evidenced by a Certificate of Membership which shall be issued upon the approval of a majority of the Board of Directors. No applicant for membership shall hold office or vote until his Certificate of Membership shall have been issued. Only one certificate of membership shall be issued to a member.

**Section 3. Purchase of Electric Energy.** Each member of this Cooperative shall, as soon as electric energy shall be available, purchase from this Cooperative not less than the minimum amount of electric energy which shall from time to time be determined by resolution of the Board of Directors of this Cooperative and shall pay therefor, and for all additional electric energy used by such member, 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 by such member to this Cooperative 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.

### **Section 4. Transfer and Termination of Membership.**

(a) Membership in the Cooperative and a certificate representing the same shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal of a member the membership of such member shall thereupon terminate, and the certificate of membership of such member shall be surrendered forthwith to the Cooperative.

(b) 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 spouses jointly with the provisions of subdivisions (a) and (b) 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.

(c) When a membership is held jointly by spouses, upon the death of either, such membership shall be deemed to be held solely by the survivor with 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.

**Section 5. Voluntary Withdrawal.** Any member of this Cooperative may voluntarily withdraw from membership upon payment in full of all of his or its debts and liabilities to this Cooperative, and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe, not inconsistent with the Articles of Incorporation and these By-Laws.

**Section 6. Expulsion of Members.** The Board of Directors of this Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member of the Cooperative who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation or the By-Laws of this Cooperative or any rules or regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

**Section 7. Removal of Directors and Officers.** Any member may bring charges against an officer or Director by filing them in writing with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or Director in question. The removal shall be voted upon at the next regular or special meeting of the members and, by a vote of a majority of all voting members, the officer or Director may be removed. The officer or Director against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against him shall have the same opportunity. The vacancy in the Board of Directors occasioned by such removal may be filled by the members. The vacancy occasioned by the removal of any officer shall be filled by the Board of Directors as provided in Section 4 of Article V of these By-Laws.

**Section 8. Non-liability for Corporate Debts.** The private property of the members shall be exempt from execution for the debts of the Cooperative and no member shall be individually responsible for any debts or liabilities of the Cooperative.

## **ARTICLE II**

### **Meetings of Members**

**Section 1. Annual Meeting.** The annual meeting of the members shall be held in the month of August of each year, at such place within any county served by the Cooperative, and at such time, as the Board of Directors shall fix, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting.

**Section 2. Special Meetings.** Special meetings of the members may be called by at least three (3) directors or upon a written request signed by at least ten per centum (10%) of all the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as specified in the notice of the special meeting.

**Section 3. Notice of Members' Meetings.** Written or printed notice stating the place, day and hour of the meeting and, in case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the members at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership notice given to either spouse shall be deemed notice to both joint members. The failure of any member to receive notice of an annual or special meeting of the members, shall not invalidate any action which may be taken by the members at any such meeting.

**Section 4. Quorum.** As long as the total number of members does not exceed five hundred (500) at least ten per centum (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members shall exceed five hundred (500), then at least fifty (50) members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership the presence at a meeting of either spouse, or both, shall be regarded as the presence of one member. Members casting Director election ballots by mail or electronic means shall be deemed present in person for determining a quorum for the Director Election, but not for other purposes. 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.

**Section 5. Voting.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting in person or by mail or other electronic means, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these By-Laws. If spouses hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

**Section 6. Voting by mail or other means.** Any member may vote by mail or other electronic means as may be approved by the Directors upon any motion or resolution to be acted upon at any such meeting with respect to any amendment to the articles of incorporation or by-laws, or any action submitted pursuant to a resolution adopted by the Board of Directors or by petition of not less than ten per centum (10%) of the members. The Secretary shall enclose with the notice of such meeting an exact copy of such motion or resolution to be acted upon and such member shall express his vote in the manner instructed. When such vote is received from any member it shall be accepted and counted as a vote of such member at such meeting. Any member may also vote by mail or other electronic means as may be approved by the Directors in the election of directors by ballot. If spouses hold a joint membership they shall jointly be entitled to vote by mail or other electronic means as may be approved by the Directors as provided in this Section. The failure of any such member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

**Section 7. Order of Business.** The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially:

1. Call the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

### **ARTICLE III Directors**

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation of the Cooperative or these By-Laws conferred upon or reserved to the members.

**Section 2(a). Election and Tenure.** The members of the Board of Directors shall be elected from three Districts, numbered One (1), Two (2) and Three (3). The geographic areas of the three Districts shall be established by the Board of Directors and described in the By-Laws. The Districts shall be apportioned, and reapportioned as necessary, by the Board of Directors, so that the Districts contain as nearly as possible an equal number of members.

At each Annual Meeting of Members, one, and only one, Director from each of Districts One (1), Two (2) and Three (3), shall be elected for the term of three years, and until their respective successors shall have been elected and qualified.

Members attending and voting at an Annual Meeting or voting by mail or other electronic means as approved by the Directors as provided in the Articles of Incorporation shall vote only for candidates from the district in which they reside. The election of directors shall be by ballot, and each voting member shall be entitled to cast one vote for each director to be elected from that member's district.

**Section 2(b). District Boundaries.** Directors shall be elected from districts beginning with the election held at the 1990 Annual Meeting and as scheduled in the Articles of Incorporation. The three (3) districts will be comprised of the following territories:

District I: DAVIS: Salt Creek Twsp; JEFFERSON COUNTY: Blackhawk, Buchanan, Cedar, Center, Des Moines, Liberty, Locust Grove, Penn, Polk and Walnut Twsp; KEOKUK COUNTY: Steady Run Twsp; VAN BUREN COUNTY: Bonaparte, Cedar, Farmington, Harrisburg, Henry, Lick Creek, Union, Village and Washington Twsp; WAPELLO COUNTY: Competine, Pleasant and Washington Twsp; WASHINGTON COUNTY: Brighton and Franklin Twsp.

District II: HENRY COUNTY: Center, Jackson, Jefferson, Marion, Salem, Scott, Tippecanoe, Trenton and Wayne Twsp; JEFFERSON COUNTY: Lockridge and Round Prairie Twsp; LEE COUNTY: Cedar, Marion and Pleasant Ridge Twsp; LOUISA COUNTY: Elm Grove Twsp; WASHINGTON COUNTY: Marion and Washington Twsp.

District III: DES MOINES COUNTY: Burlington, Concordia, Danville, Pleasant Grove, Union and Washington Twsp; HENRY COUNTY: Baltimore, Canaan and New London Twsp; LEE COUNTY: Charleston, Denmark, Franklin, Green Bay, Harrison, Jefferson, Van Buren, Washington and West Point Twsp.

**Section 3. Qualifications.** No member shall be eligible to become or remain a Director or to hold any position of trust in the Cooperative who is not a bona fide resident of premises served by the Cooperative, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members, or who within five (5) years preceding a director candidate nomination was an employee of the Cooperative, or is a close relative of a director or employee of the Cooperative, with close relative being defined as: spouse, cohabitant, mother, father, mother-in-law, father-in-law, sister, brother, sister-in-law, brother-in-law, and natural, step, and adopted children, or within fifteen (15) years preceding a director candidate nomination been convicted of a felony whether by judgment, order, settlement, conviction, plea of guilt, or plea of nolo contendere, or who is or becomes the full-time employee or agent of another director or employee, or who is or becomes the full-time employer or principal of another director, and no person shall take or hold office as a Director who is the incumbent of or candidate for an elective public office other than on a school board, board of supervisors, township trustee, township clerk, or member of the State legislature; provided, however, that nothing in this Section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors. However, should the director temporarily not be a bona fide resident in the area served or to be served by the Cooperative because the member's residence becomes uninhabitable due to an act of nature or any other act that is beyond the member's control, or if the director is temporarily unable to claim the residency, such as in the case of a divorce, the director shall not be disqualified from continuing to serve as a director if the director provides evidence to the remaining Board of Directors that the director will be able to return to the residency or to another residency within the district from which the director has been elected within a period of sixty (60) days from the date the director has temporarily moved from the residency. Such sixty (60) day period may be extended by the Board of Directors upon good cause shown which requires such extension. When a membership is held jointly, either one, but not both, may be elected a director, provided, however, that neither shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. Before the meeting of the committee on nominations for directors each year, the Board of Directors shall determine whether any director has ceased to be a bona fide resident of premises served by the Cooperative, and any director found by a two-thirds vote of all directors not to meet the residence requirement or any other qualifications of this Section, may continue to hold office only until the next annual meeting at which time the vacancy shall be filled by the members.

**Section 4. Nominations.** It shall be the duty of the Board of Directors to appoint, not less than one hundred sixty (160) days before the date of a meeting of the members at which Directors are to be elected, a committee on nominations consisting of three members from each District from which a Director is to be elected. No member of the Board may serve on such committee. The committee shall prepare and post, at the principal office of the Cooperative, at least ninety (90) days before the meeting, a list of these candidates nominated for Director from each District from which a Director is to be elected, and the list shall include at least two candidates for each Director to be elected. Any fifteen or more members from a District from which a director is to be elected, acting together, may make other nominations for Director from their District by petition not less than sixty (60) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting, or separately, but at least ten days before the date of the meeting, a statement of the number of Directors to be elected from each District, and the names and addresses of the candidates from each district, specifying separately the nominations made by the committee and the nominations made by petition, if any. The ballots to be used for the election of Directors shall list the names of the candidates from each District nominated by the committee and the names of the candidates from each District nominated by petition, if any. The names of nominees shall be posted and listed on the ballots by District in alphabetical order.

The statement mailed by the Secretary shall also inform the members of the manner in which they may vote by mail or other electronic means as provided in this Section. Any member may cast their vote in person, by mail or by other electronic means, as may be approved by the Directors, for directors. A member voting shall mark the ballot in the manner instructed, selecting a number of candidates equal to the number of directors to be elected from that member's district. Upon completion, the ballot shall be delivered to the Cooperative or its representative in the manner instructed. When such ballot is received from any member in advance of the meeting, or at the meeting if voting in person, it shall be accepted and counted as a vote for directors by ballot of such member at such meeting. The provisions of this Section shall not be mandatory in the case of a recall of one or more directors as provided in Section 6 of Article IX of the Articles of Incorporation.

**Section 5. Vacancies.** Subject to the provisions of Section 7 of Article I of these By-Laws and Section 6 of Article IX of the Articles of Incorporation of the Cooperative, vacancies occurring in the Board of Directors between Annual Meetings of the Members of this Cooperative shall be filled by a majority vote of the remaining Directors from among members residing in the District represented by the vacancy, and Directors thus selected shall serve until the next Annual Meeting of Members and until their successors have been elected and shall have qualified.

**Section 6. Compensation.** Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors a fixed sum and expense of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. Except in emergencies, no Directors shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

**Section 7. Rules and Regulations.** The Board of Directors shall have power to make and adopt policies, rules and regulations, not inconsistent with the Articles of Incorporation of the Cooperative or these By-Laws or the laws of the State of Iowa, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**Section 8. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Federal Energy Regulatory Commission (FERC) or in the absence of regulation, follow Generally Accepted Accounting Practices(GAAP). The Board of Directors shall cause to be made, after the close of each fiscal year, a full and complete audit of the accounts, books and financial condition of the Cooperative, such audit to be made by a C.P.A. A report of the audit shall be submitted to the members at the following annual meeting.

**ARTICLE IV**  
**Meetings of Directors**

**Section 1. Regular Meetings.** A regular meeting of the Board of Directors shall be held without notice other than this By-Law immediately after the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly and at such time and place within one of the counties served by the Cooperative as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**Section 2. Special Meetings.** 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 meetings of the Board of Directors called by them, provided that such meetings may only be held within one of the counties served by the Cooperative, or at the time and place of a meeting of the members of Northeast Missouri Electric Power Cooperative, or at the time and place of a meeting of the members of the Iowa Association of Electric Cooperatives, or at the time and place of a meeting of the members of Associated Electric Cooperative Inc., or at the time and place of a meeting of the members of National Rural Electric Cooperative Association.

**Section 3. Notice.** Notice of the time, place and purpose of any special meeting shall be given by written notice delivered personally or via electronic communication to each Director or to his personal residence at least 24 hours prior to the time of meeting, or mailed to each Director at his residence at least 5 days before the date of meeting. 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.

**Section 4. Quorum.** 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 are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**Section 5. Manner of Acting.** 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, except as otherwise provided in these By-Laws.

**ARTICLE V**  
**Officers**

**Section 1. Number.** The officers of the Cooperative shall be a president, vice-president, secretary, and treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of secretary and of treasurer may be held by the same person.

**Section 2. Election and Term of Office.** The officers shall be elected, annually by and from the Board of Directors at the annual meeting of the Board of Directors held after each annual meeting of the members. Subject to the provisions of Section 7 of Article I and Section 3 of this Article V, each officer shall hold office until the annual meeting of the Board of Directors following the next annual meeting of the members or until his successor shall have been duly elected and shall have qualified. The term of a Director as an officer of the Board shall be limited to three (3) consecutive years in that particular office, however, said Director can become eligible for that office again after not serving in that position for two (2) consecutive years.

**Section 3. Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative would be served thereby.

**Section 4. Vacancies.** Subject to the provisions of Section 7 of Article I of these By-Laws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

**Section 5. President.** The President:

(a) shall be the principal executive officer and shall preside at all meetings of the members and of the Board of Directors;

(b) shall sign, with the Secretary, certificates of membership, and may sign 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 the By-Laws to some other officer or agent of the Cooperative (or shall be required by law to be otherwise signed or executed); and

(c) in general shall perform all other duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 6. Vice-President.** In the absence of the President or in event of his or her 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 to him or her by the Board of Directors.

**Section 7. Secretary.** The Secretary shall be responsible for:

(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 the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Cooperative 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 such member;

(e) sign with the president certificates of memberships, the issue of which shall have been authorized by resolution of the Board of Directors;

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) Keep on file at all times a complete copy of these By-Laws containing all amendments thereto, which copy, shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of the By-Laws and of all amendments thereto to any member requesting a copy; and

(h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

**Section 8. Treasurer.** The Treasurer shall be responsible for the following:

(a) have custody of all funds and securities of the Cooperative;

(b) receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such banks as shall be selected in accordance with the provisions of Section 3 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 him or her by the Board of Directors.

**Section 9. General Manager/C.E.O.** The Board of Directors may appoint a general manager /C.E.O. who may be but who shall not be required to be a member. The general manager/C.E.O. shall perform such duties as the Board of Directors may from time to time require of him or her and shall have such authority as the Board of Directors may from time to time invest in him or her.

**Section 10. Bonds of Officers.** The Board of Directors shall require the Treasurer or any other officer charged with the responsibility for the custody of any of its funds or property, to be bonded for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amounts, with such surety or sureties, and containing such terms and conditions as it shall determine.

**Section 11. Salaries.** The compensation, if any, of any officer, agent, or employee who is also a Director or close relative of a Director, shall be determined by the members as provided in Section 6 of Article III of these By-Laws; the powers, duties and compensation of all other officers, agents and employees shall be fixed by the Board of Directors.

**Section 12. Reports.** The officers shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing its condition at the close of such fiscal year.

## ARTICLE VI

### Contracts, Checks, and Deposits

**Section 1. Contracts.** Except as limited elsewhere by these By-Laws, 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 the Cooperative, and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, etc.** All checks, drafts and other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed or signed and countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 3. Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select, except petty cash.

## ARTICLE VII

### Membership Certificates

**Section 1. Certificates of Membership.** Membership in the Cooperative 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 Cooperative or these By-Laws. Such certificate shall be signed by the President and by the Secretary and shall be sealed with its Corporate seal.

**Section 2. Issue of Membership Certificates.** No membership certificates shall be issued until approval of a majority of the Board of Directors has occurred, as stated in Section 2 of Article I of these By-Laws.

**Section 3. Lost Certificates.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

## ARTICLE VIII

### Revenues and Receipts

**Section 1. Disposition of Revenues and Receipts.** No dividends shall be paid upon memberships in the Cooperative. Subject to the obligations of the Cooperative 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 Cooperative in excess of its operating expenses as follows:

- (a) Provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses;
- (b) Set aside at least ten per centum (10%) of the remaining earnings as surplus until surplus equals thirty per centum (30%) of the total of all capital paid in for memberships plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from non-member business, and earnings arising from the earnings of other cooperative organizations of which the cooperative is a member, or one thousand dollars (\$1000.00), whichever is greater; no additions shall be made to surplus when it exceeds fifty per centum (50%) of the total, or one thousand dollars (\$1000.00), whichever is greater, without the approval of the membership by a majority of votes cast;
- (c) Set aside not less than one per centum (1%) nor more than five per centum (5%) of such earnings in excess of reserves in an educational fund, to be used as the Directors deem suitable for teaching or promoting cooperation;
- (d) All remaining net earnings shall be allocated to the account of each member ratably in proportion to the amount of business the member did with the association during that year. The Board of Directors shall have the authority to declare the percentage or amount of the allocation that currently shall be paid in cash. All the remaining allocation not paid in cash shall be transferred to a revolving fund and credited to the member. The credits in the revolving fund shall be referred to as deferred patronage dividends.

**Section 2. Membership Control over Disposition of Revenues and Receipts.** The members may, at any meeting, control the amount to be allocated to surplus or educational fund within the limits specified in Section 1 of this Article.

**Section 3. Revolving Fund.** The Directors may use the revolving fund to pay the obligations or to add to the capital of the Association. In that event, the deferred patronage dividends credited to members constitute a charge upon the revolving fund, and on future additions to the revolving fund, and on the corporate assets, subordinate to the existing or future creditors and preferred stockholders. Except as otherwise provided herein, deferred patronage dividends for any year have priority over those for any subsequent years. However, prior to other payments of deferred



patronage dividends held by members, the Directors may pay deferred patronage dividends of deceased natural persons who were members and may pay all other deferred patronage dividends without reference to priority.

**Section 4. Deferred Patronage Certificate.** The Cooperative 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.

**Section 5. Maturity of Deferred Patronage Dividend Certificates.** Credits or certificates referred to in Sections 3 and 4 of this Article VIII shall not mature until the dissolution or liquidation of the Cooperative but shall be callable by the Cooperative at any time in order of priority specified in Section 3 of Article X of the Articles of Incorporation of the Cooperative.

**Section 6.** Each holder, assignee or transferee of deferred patronage dividends shall notify the Cooperative in writing of the address to which any mail or notices should be sent.

#### **ARTICLE IX Waiver of Notice**

Any member or director may waive, in writing, any notice of meetings required to be given by these By-Laws. In case of a joint membership a waiver of notice signed by either spouse shall be deemed a waiver of notice of such meeting by both joint members.

#### **ARTICLE X Disposition of Property**

The Cooperative may not sell, mortgage, lease or otherwise dispose of any of its property other than

- (a) property which, in the judgment of the Board of Directors is or will be neither necessary nor useful in operating and maintaining the Cooperative's system provided, however, that sales of such property shall not in any one year exceed ten per centum (10%) in value of the value of all of the property of the Cooperative;
- (b) service of all kinds, including electric energy;
- (c) personal property acquired for resale; and
- (d) merchandise;

unless such sale, lease or other disposition is authorized by a majority vote of the members at a meeting thereof and the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained the Board of Directors, without the consent or vote of the members of the Cooperative or any part thereof, shall have full power and authority to borrow money and to authorize the making and issuance of bonds, notes or other evidences of indebtedness, secured or unsecured, for money so borrowed, and to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative.

#### **ARTICLE XI Fiscal Year**

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

#### **ARTICLE XII Membership in Other Organizations**

This Cooperative may become a member of any Federated cooperative association, or any other organization which will assist in carrying on and promoting the business and functions of this Cooperative, by an affirmative vote of at least two-thirds of the Board of Directors of this Cooperative.

#### **ARTICLE XIII Seal**

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

#### **ARTICLE XIV**

##### **Amendments**

The directors, by a vote of 75% of the directors, may adopt, alter, amend, or repeal bylaws for the Association, which shall remain in force until altered, amended or repealed by a vote of 75% of the members present or represented having voting privileges, at any annual meeting or special meeting of the membership, provided that at least ten days' prior written notice of the impending membership vote has been mailed to all members of the Association, with a copy or summary of the proposed alteration, amendment or repeal, of the Bylaws.

#### **ARTICLE XV**

##### **Area Service**

The Board of Directors shall make diligent effort to extend electric service to all unserved persons within the Cooperative's service area.

#### **ARTICLE XVI**

##### **Personal Liability of Directors, Officers, Employees or Volunteers**

Except as otherwise provided in this Article, a director, officer, employee, or member of the association is not liable on the association's debts or obligations, and a director, officer, member, or other volunteer is not personally liable in that capacity, for a claim based upon any action taken, or any failure to take action in the discharge of the person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, an intentional infliction of harm on the association or its members, or an intentional violation of criminal law.

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 of the Code of Iowa (2011), as amended.