



EASTERN IOWA LIGHT & POWER COOPERATIVE

ARTICLES OF INCORPORATION



SEPTEMBER 9, 2010
EASTERN IOWA LIGHT & POWER COOPERATIVE
1705 West Third St., Wilton, IA

ARTICLES OF INCORPORATION OF EASTERN IOWA LIGHT AND POWER COOPERATIVE

**as amended
September 9, 2010**

ARTICLE I

The name of this Association shall be EASTERN IOWA LIGHT AND POWER COOPERATIVE.

ARTICLE II

Place of Business

The principal office of this Association up to and including December 31, 1948, shall be at the City of Davenport, in the County of Scott, State of Iowa, but from said date the principal office of this Association shall be at the town of Wilton, in the County of Muscatine, State of Iowa.

ARTICLE III

Objects and Purposes

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 lessee, and in any manner acquire, hold, own, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and transmission and distribution lines or systems, electric generating plants, electric cold storage or processing plants and any other property, real or personal tangible or intangible, which shall be deemed necessary, convenient or useful or carrying out and accomplishing any or all of the foregoing purposes;
2. To purchase, receive, lease as lessee or in any other manner acquire, own, hold, maintain, use, sell, lease as lessor, 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 and 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, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired;

6. To assist persons to whom electric energy is or will be supplied by the Cooperative in constructing, equipping, maintaining and operating electric cold storage or processing plants by the financing thereof or otherwise;

7. To become a member of any federated cooperative association whose membership is restricted to incorporated cooperative associations;

8. 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;

9. 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 and all of the foregoing purposes;

10. This Cooperative shall have the power to operate, to do business, and to perform any of the acts above authorized, or as may be permitted by the provisions of the laws under which this Cooperative is formed, to accomplish any or all of the foregoing purposes and to exercise any of its powers anywhere.

ARTICLE IV

Membership

1. Any person, firm, corporation or body politic may become a member of this Cooperative by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;

(c) agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors; and

(d) paying the membership fee hereinafter specified; provided, however, that no applicant shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. The Bylaws of the Cooperative may fix such other terms and conditions upon which persons shall be admitted to and retain membership in the Cooperative not inconsistent with these Articles of Incorporation or the Act under which it is organized.

2. The issuing price of a membership in this Association shall be Ten Dollars (\$10.00). No membership certificate shall be issued until the issuing price of the membership shall have been fully paid for and no applicant for membership shall hold office until his 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 herein shall be evidenced by a certificate of membership.

5. No membership shall be transferable, and all certificates thereof shall be surrendered to the Association upon voluntary withdrawal by members.

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 and not by proxy.

7. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of these Articles of Incorporation or the Bylaws of the 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.

8. 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 two (2) years after his death. In case of ineligibility, payment of such value shall be made to the member who has become ineligible within two (2) years

after the date of his ineligibility. Interest shall not, in any case, be paid upon the value of membership determined as hereinabove provided.

9. Members of this Cooperative may voluntarily withdraw from membership upon payment in full of all debts and obligations to this Cooperative, and upon compliance with and performance of all contracts with this Cooperative.

10. The death, expulsion or withdrawal of a member of this Association shall not impair his debts, obligation or liabilities to this Association.

11. The private property of the members of this Association shall be exempt from execution from the debts of this Association.

12. 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 V

Expiration

The Corporate life of this Association shall begin on the date of the issuance of its certificate of incorporation by the Secretary of State of the State of Iowa, and shall be perpetual unless dissolved in any manner provided by the laws of the State of Iowa.

ARTICLE VI

Directors and Officers

1. The business and affairs of the Cooperative shall be managed by a Board of Directors consisting of fifteen (15) directors, which shall exercise all of the powers of the Cooperative except such as are by law or by these Articles of Incorporation or by the Bylaws conferred upon or reserved to the members.

2. Voting Districts. The territory served or to be served by the Cooperative shall be divided into five (5) districts, each of which shall contain as nearly as practical the same number of members. Each district shall be represented by three (3) directors. The original five (5) districts shall be as follows:

District No. 1

Township 83, Range 7,	East of the 5th P.M., Iowa
Township 83, Range 6,	East of the 5th P.M., Iowa
Township 83, Range 5,	East of the 5th P.M., Iowa
Township 83, Range 4,	East of the 5th P.M., Iowa
Township 83, Range 3,	East of the 5th P.M., Iowa
Township 82, Range 3,	East of the 5th P.M., Iowa
Township 82, Range 4,	East of the 5th P.M., Iowa

Township 82, Range 5,	East of the 5th P.M., Iowa
Township 82, Range 6,	East of the 5th P.M., Iowa
Township 82, Range 7,	East of the 5th P.M., Iowa
Township 81, Range 3,	East of the 5th P.M., Iowa
Township 81, Range 4,	East of the 5th P.M., Iowa
Township 81, Range 5,	East of the 5th P.M., Iowa
Township 81, Range 6,	East of the 5th P.M., Iowa
Township 80, Range 3,	East of the 5th P.M., Iowa
Township 80, Range 4,	East of the 5th P.M., Iowa
Township 80, Range 5,	East of the 5th P.M., Iowa
Township 79, Range 3,	East of the 5th P.M., Iowa
Township 79, Range 4,	East of the 5th P.M., Iowa
Township 79, Range 5,	East of the 5th P.M., Iowa
Township 78, Range 3,	East of the 5th P.M., Iowa
Township 78, Range 4,	East of the 5th P.M., Iowa
Township 78, Range 5,	East of the 5th P.M., Iowa
Township 77, Range 3,	East of the 5th P.M., Iowa

District No. 2

Township 83, Range 2,	East of the 5th P.M., Iowa
Township 83, Range 1,	East of the 5th P.M., Iowa
Township 82, Range 4,	West of the 5th P.M., Iowa
Township 82, Range 3,	West of the 5th P.M., Iowa
Township 82, Range 2,	West of the 5th P.M., Iowa
Township 82, Range 1,	West of the 5th P.M., Iowa
Township 82, Range 1,	East of the 5th P.M., Iowa
Township 82, Range 2,	East of the 5th P.M., Iowa
Township 81, Range 2,	East of the 5th P.M., Iowa
Township 81, Range 1,	East of the 5th P.M., Iowa
Township 81, Range 1,	West of the 5th P.M., Iowa
Township 81, Range 2,	West of the 5th P.M., Iowa
Township 81, Range 3,	West of the 5th P.M., Iowa
Township 81, Range 4,	West of the 5th P.M., Iowa
Township 80, Range 4,	West of the 5th P.M., Iowa
Township 80, Range 3,	West of the 5th P.M., Iowa
Township 80, Range 2,	West of the 5th P.M., Iowa

District No. 3

Township 80, Range 1,	West of the 5th P.M., Iowa
Township 80, Range 1,	East of the 5th P.M., Iowa
Township 80, Range 2,	East of the 5th P.M., Iowa
Township 79, Range 2,	East of the 5th P.M., Iowa
Township 79, Range 1,	East of the 5th P.M., Iowa
Township 78, Range 1,	East of the 5th P.M., Iowa
Township 79, Range 2,	West of the 5th P.M., Iowa
Township 79, Range 1,	West of the 5th P.M., Iowa

Township 78, Range 1,	West of the 5th P.M., Iowa
Township 78, Range 2,	West of the 5th P.M., Iowa
Township 78, Range 2,	East of the 5th P.M., Iowa
Township 77, Range 2,	East of the 5th P.M., Iowa
Township 77, Range 1,	West of the 5th P.M., Iowa
Township 77, Range 1,	East of the 5th P.M., Iowa

District No. 4

Township 79, Range 7,	West of the 5th P.M., Iowa
Township 79, Range 6,	West of the 5th P.M., Iowa
Township 79, Range 5,	West of the 5th P.M., Iowa
Township 79, Range 4,	West of the 5th P.M., Iowa
Township 79, Range 3,	West of the 5th P.M., Iowa
Township 78, Range 3,	West of the 5th P.M., Iowa
Township 78, Range 4,	West of the 5th P.M., Iowa
Township 78, Range 5,	West of the 5th P.M., Iowa
Township 78, Range 6,	West of the 5th P.M., Iowa
Township 78, Range 7,	West of the 5th P.M., Iowa
Township 77, Range 6,	West of the 5th P.M., Iowa
Township 77, Range 5,	West of the 5th P.M., Iowa
Township 77, Range 4,	West of the 5th P.M., Iowa
Township 77, Range 3,	West of the 5th P.M., Iowa
Township 77, Range 2,	West of the 5th P.M., Iowa
Township 76, Range 4,	West of the 5th P.M., Iowa
Township 76, Range 5,	West of the 5th P.M., Iowa
Township 76, Range 6,	West of the 5th P.M., Iowa

District No. 5

Township 76, Range 3,	West of the 5th P.M., Iowa
Township 76, Range 2,	West of the 5th P.M., Iowa
Township 75, Range 6,	West of the 5th P.M., Iowa
Township 75, Range 5,	West of the 5th P.M., Iowa
Township 75, Range 4,	West of the 5th P.M., Iowa
Township 75, Range 3,	West of the 5th P.M., Iowa
Township 75, Range 2,	West of the 5th P.M., Iowa
Township 74, Range 5,	West of the 5th P.M., Iowa
Township 74, Range 4,	West of the 5th P.M., Iowa
Township 74, Range 3,	West of the 5th P.M., Iowa
Township 74, Range 2,	West of the 5th P.M., Iowa
Township 73, Range 5,	West of the 5th P.M., Iowa
Township 73, Range 4,	West of the 5th P.M., Iowa
Township 73, Range 3,	West of the 5th P.M., Iowa
Township 73, Range 2,	West of the 5th P.M., Iowa
Township 73, Range 1,	West of the 5th P.M., Iowa
Township 72, Range 3,	West of the 5th P.M., Iowa
Township 72, Range 2,	West of the 5th P.M., Iowa

Township 72, Range 1,	West of the 5th P.M., Iowa
Township 71, Range 3,	West of the 5th P.M., Iowa
Township 71, Range 2,	West of the 5th P.M., Iowa
Township 71, Range 1,	West of the 5th P.M., Iowa
Township 70, Range 3,	West of the 5th P.M., Iowa
Township 70, Range 2,	West of the 5th P.M., Iowa

Not less than sixty (60) days before any meeting of the members at which directors are to be elected, the Board of Directors shall review the composition of the several districts and, if it should be found that inequalities in representation have developed which can be corrected by redelineation of districts, the Board of Directors shall reconstitute the districts so that each shall contain as nearly as practical the same number of members.

3. District Meetings. Not less than thirty (30) days nor more than sixty (60) days before the annual meeting each year, the Board of Directors shall call a special meeting of the members of each district at a suitable place in such district for the purpose of electing directors to represent the members located within such district. The notice of the district meeting shall be delivered personally or by mail at his last known address as shown on the books of the Cooperative to each member of the district not less than seven (7) days before the meeting and shall indicate the district to which the member belongs. The notice shall state that directors are to be elected at the meeting. The meeting, however, shall be open for discussion of any other matters pertaining to the business of the Cooperative, including amendments of the Articles or Bylaws regardless of whether such matters are listed in the notice of the meeting. Recommendations with respect thereto may be submitted to the Board of Directors or the entire membership.

The district meeting shall be called to order by the senior director representing the district or by another designated representative of the Board of Directors, or, in his absence, by any member residing within the district. The members shall then elect a chairman, who shall be someone other than a director, and who shall appoint a secretary to act for the duration of the meeting. Twenty-five (25) members residing in the district present at such duly called meeting shall constitute a quorum. Members of other districts present at the meeting may be heard by permission of the chair but shall have no vote.

4. Nomination and Election of Directors.

(a) A member in good standing may nominate any other qualified member in good standing for election to the Board of Directors. All candidates for director must be members residing in the district and must possess the qualifications for director specified in these articles. Nominations of candidates shall be by written Nomination Petition signed by not fewer than fifteen (15) members from the nominee's district. In the event of joint membership, the signature of only one of the joint members may be counted toward the fifteen member requirement. Nomination Petitions shall be available year round at the Cooperative's main office and online at the Cooperative's website. Nomination Petitions must set forth:

(i) As to each person whom the members propose to nominate for election or reelection of a director:

(A) The name, business address, and residence address of the nominee;

- (B) The principal occupation or employment of the nominee;
 - (C) The director district for which the nominee will run; and
 - (D) The consent of each nominee to serve as a director of the Cooperative if so elected.
- (ii) As to the members signing and submitting the Nomination Petition:
- (A) The member's names and record addresses;
 - (B) The original dated signatures of the members making the nomination.

Completed Nomination Petitions must be submitted to the Secretary of the Cooperative between January 2nd and April 1st of the year in which the election will take place. If one of these dates falls on a weekend or a holiday, the next succeeding business day shall be determinative.

When the time period for submission of Nomination Petitions has passed, the Secretary of the Cooperative will send a Questionnaire to each nominee for whom a Nomination Petition has been submitted. The nominee's response to the Questionnaire should contain biographical material and a summary of the candidates' qualifications and viewpoint on current matters concerning the Cooperative. Completed Questionnaires are due to the current Secretary of the Cooperative no later than May 15th of the year in which the election will take place. If this day falls on a weekend, the next succeeding business day shall be determinative. A summary of the information obtained from the Questionnaire, along with information submitted in the Nomination Petition, may be published in the Cooperative's publications to members.

The names of all persons submitted by Nomination Petition will be posted in the main office of the Cooperative not less than thirty (30) days before the district meeting, and shall also be set forth in the written notice of the district meeting which is mailed to members as outlined in Paragraph 3 of these articles.

There is no limitation on the number of nominations in each district. If only one Nomination Petition is submitted in a particular district, that nominee must still comply with all nomination requirements in this section and will run unopposed.

Floor nominations by members at the district meeting will not be accepted, unless no qualified persons have been nominated by the nomination petition process.

No person may serve as director whose nomination does not comply with the provisions of this section. Any purported election to the Board of Directors of any person who does not comply with the requirements set forth in this section is null and void and will create an immediate vacancy on the Board of Directors.

(b) Each member residing in the district shall have the right to vote for as many candidates as there are directors to be elected. Voting at a contested election shall be by written ballot. Uncontested nominations shall be submitted to a voice vote of the members present at the district meeting. Proxy and mail voting shall not be permitted at any district meeting.

(c) The minutes of each district meeting shall set forth, among other matters, the name of each person nominated by Nomination Petition and listed on the ballot, the number of votes received by each, and the names of the candidates who were elected directors. Two certified copies of the minutes, filed by the Secretary and the chairman of the district meeting, shall be delivered to the Secretary of the Cooperative within five (5) days after each district meeting.

5. Qualifications. No person 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 and bona fide resident in the district which he is to represent.

(b) is in any way employed by or financially interested in a competing enterprise or 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 of the Cooperative.

(c) Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

6. Subject to the provisions of these Articles of Incorporation, vacancies occurring in the Board of Directors between annual meetings of the members of the Cooperative shall be filled by a majority vote of the remaining directors, and directors thus selected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. The member thus selected as director must reside in the same district as the director whose office he succeeds.

7. Any member of a district may bring charges against a director of the district of which he is a member by filing them in writing with the Secretary, together with a petition signed by twenty per centum (20%) of the members of his district requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the members of the district, and any vacancy created by such removal may be filled by the members at such meeting. The director against whom such charges have been brought shall be informed in writing of the charges previous to the meeting of the district, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity. The director so charged shall only be removed by vote of a majority of all members in his district.

ARTICLE VII

Annual Meeting

1. The annual meeting of the members of this Cooperative shall be held on a date and in a place to be determined by the Board of Directors. The meeting shall be held between the first day of August and the fifth day of October of each year, in or near a city or town located in eastern Iowa.

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 Cooperative, or by publication in a regular publication of general circulation among the members of this Cooperative, or a newspaper of general circulation published at the principal place of business of this Cooperative.

ARTICLE VIII

Amendments

1. Articles may be amended at any meeting called for that purpose; an exact copy of the proposed amendment having been first mailed to each member at least ten (10) days prior to such meeting, by affirmative vote of two-thirds (2/3) of the members present, or represented by mail ballots, and having voting privileges.

2. Any member who is absent from any annual or special meeting of the members may vote by mail upon any motion or resolution to be acted upon at any such meeting with respect to an amendment to the Articles of Incorporation, or any action submitted pursuant to a resolution adopted by the Board of Directors, or by petition of not less than twenty per centum (20%) of the members. The Secretary shall send to any member who requests an absentee ballot an exact copy of such motion or resolution to be acted upon and such absent member shall express his vote thereon by writing "yes" or "no" on each such motion or resolution in the space provided therefor and sign his name thereto, and enclose each such signed copy so marked in a sealed envelope bearing his name and addressed to the Secretary. When such written signed vote so enclosed is received by mail from any absent member, it shall be accepted and counted as a vote of such absent member at such meeting. The signed ballots shall be accepted by the Secretary up to the time the motion or resolution is submitted to the members present at the annual or special meeting. The failure of any such absent 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.

3. The Board of Directors of this Cooperative may, by the affirmative vote of not less than three-fourths (3/4) of the members thereof, repeal, amend, alter or change any provision contained in the Bylaws of this Cooperative, or may adopt new Bylaws if it so desires by the same affirmative vote.

ARTICLE IX

Distribution of Earnings

1. No dividends shall be paid upon memberships in the Cooperative. Subject to the provisions of any mortgage or deed of trust given or assumed by the Cooperative, the Board of Directors shall, after the expiration of each fiscal year and after paying or making provision for the payment of all obligations and expenses of the Cooperative properly chargeable against its revenues and receipts for such fiscal year, apply the unexpended revenues and receipts for such fiscal year as follows:

(a) to provide a reasonable reserve for maintenance, depreciation, obsolescence, bad debts, or contingent losses or expense;

(b) at least ten per centum (10%) of the remaining net earnings must be added to surplus until surplus equals either (1) thirty per centum (30%) of the total of all capital paid in for memberships, plus all unpaid patronage dividends (hereinafter called "patronage refunds"), 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 association is a member, or (2) one thousand (\$1,000) dollars, whichever is greater; no additions shall be made to surplus whenever it exceeds either fifty per centum (50%) of such total, or one thousand (\$1,000) dollars, whichever is greater;

(c) not less than one per centum (1%) nor more than five per centum (5%) of such earnings in excess of reserves may be placed in an educational fund, to be used as the directors deem suitable for teaching or promoting cooperation and the effective use of electricity; and

(d) for each taxable year of the Cooperative beginning after December 31, 1962, all remaining net earnings shall be allocated to the account of each member ratably in proportion to the business he had done with the Cooperative during such year. The directors shall determine the percentage or the amount of such allocation that currently shall be paid in cash provided that so long as there are unpaid deferred patronage dividends for prior years the amount currently payable in cash shall not exceed fifty percent (50%) of said allocation. All said remaining allocation not so paid in cash shall be transferred to a revolving fund and credited to said members. Such credits in the revolving fund are herein referred to as deferred "patronage dividends".

2. The members may, at any meeting, control the amount to be allocated to surplus or educational fund within the limits specified in Section I of this Article IX.

3. The directors may use the revolving fund to pay the obligations or add to the capital of the Cooperative. In such event, the deferred patronage dividends credit to members shall constitute a charge upon the revolving fund, and future additions to the revolving fund, and on the corporate assets, subordinate to existing or future creditors. Deferred patronage dividends for any year have priority over those for subsequent years, except that the directors may pay deferred patronage dividends of deceased natural persons who were members, and may pay all other deferred patronage dividends of members without reference to priority.

4. The Cooperative may issue certificates for deferred patronage refunds, but such a certificate shall be non-transferable except to a party eligible to, and accepted for, membership who becomes the owner or operator of the real property formerly owned or operated by a member and served by the Cooperative.

5. Credits or certificates referred to in Sections 3 and 4 of this Article IX shall not mature until the dissolution or liquidation of the Cooperative but shall be callable by the Cooperative any time in the order of priority specified in Section 3 of this Article IX.

ARTICLE X

Disposition of Property

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages, 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 of Directors shall determine to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to the National Rural Utilities Cooperative Finance Corporation or any persons; provided however, that no loans from any persons shall be made without prior approval of the Administrator of the Rural Electrification Administration; provided further that the Board of Directors may upon authorization of two-thirds (2/3) of those members of the Cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another rural electric cooperative doing business in this State pursuant to the Act under which this Cooperative is incorporated or to the holder or holders of any notes, bonds or other evidences of indebtedness issued to the United State of America or any agency or instrumentality thereof.

ARTICLE XI

Dissolution or Liquidation

Upon dissolution or liquidation, the assets of the Cooperative shall be applied to the payment of liquidation expenses and then to the payment of all obligations of the Cooperative other than patronage refunds or certificates issued therefor. The remainder of such assets shall be distributed in the following priority: (a) payment of any deferred patronage refund or certificates issued therefor, and if the assets are insufficient to pay all such patronage refunds or certificates issued therefor they shall be prorated to the payment of all such deferred patronage refunds or certificates issued therefor; (b) payment to members of the membership fee paid by them; and (c) the remaining assets shall be distributed among the members according to law.

ARTICLE XII

Cooperative's Right to Discontinue Service

The Cooperative reserves the right to discontinue the supply of electric service to any member or members and cancel membership in this Cooperative for any of the following reasons:

1. For fraudulent representation as to the use of electric service.

2. For the second offense of checks being returned from the bank.
3. For any disapproval of member's equipment or the installation because of defects or hazardous conditions.
4. For repairs of emergency operations.
5. For unavoidable shortage or interruptions in the Cooperative's source of supply.
6. For protection of the Cooperative from fraud or abuse.
7. Upon cancellation of contract.
8. For nonpayment of bill.
9. For refusal or obstruction of entry to its meter.
10. For violation of any of the terms and provisions of the published Rules and Regulations, the Cooperative's Standard Requirements, Articles of Incorporation, or Bylaws of the Cooperative.

The Board of Directors further reserves the right and authority to cancel the membership of any member in this Cooperative upon a member or members instituting a suit or legal proceedings in any Court or before any governmental body in which this Cooperative, its directors, officers, employees, agents, or representatives shall be named a party in said suit or in said legal proceedings.

ARTICLE XIII

Savings Clause

If any of the Articles and Bylaws as herein provided shall be determined invalid, such determination shall not in any way impair or affect the operation and validity of all other Articles and Bylaws herein contained.

ARTICLE XIV

Equal Rights

Wherever in these Articles the words "he", and "his", or "him" appear, they shall denote the feminine gender as well as the masculine, as may be applicable.

ARTICLE XV

Personal Liability of Directors Officers, Employees, or Members

1. Personal Liability. Except as otherwise provided by Iowa law, a director, officer, employee, member, or other volunteer of the Cooperative is not liable on the Cooperative'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 that person's duties, except for the amount of a financial benefit received by the person to which the person is not entitled, and intentional infliction of harm on the Cooperative or its members, or an intentional violation of criminal law.

2. Indemnification. The Cooperative may indemnify any present or former director, officer, employee, member, or volunteer of the Cooperative in the manner and in the instances authorized in Section 499.59A Iowa Code (2009) and as such Code section may be subsequently amended or renumbered.