

**BY-LAWS  
OF  
SOUTHERN IOWA ELECTRIC COOPERATIVE, INC.  
BLOOMFIELD, IOWA**

**(AS AMENDED THROUGH SEPTEMBER 26, 2019)**

**ARTICLE I  
MEMBERS**

Section 1. Any individual acting for himself, or herself, any person as the accredited representative acting in behalf of any firm, association, corporation, partnership or other organization, and who customarily uses the services rendered by the Cooperative, may become a member in the Cooperative, by:

- (a) Applying for a membership certificate in the Cooperative;
- (b) Agreeing to purchase from the Cooperative the amount of electric energy as specified in the Bylaws of the Cooperative; and,
- (c) Agreeing to comply with and to be bound by the Articles of Incorporation, the By-Laws of the Cooperative, and any amendments thereto, and such rules and regulations as may from time to time be adopted by the Board of Directors of the Cooperative;

provided, however, that no person, firm, corporation or body politic shall become a member unless and until he, she or it has been accepted for membership by the Board of Directors or the members. Membership applications shall be reviewed by the Board of Directors when received and accepted or rejected by the affirmative vote of not less than a majority of the members of the Board of Directors. No person, association, corporation, partnership, organization, or body politic may own more than one (1) membership in the Cooperative.

Any two or more persons sharing the property served may become joint members and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the applicants comply jointly with the provisions of the above subdivisions (a), (b), and (c).

Section 2. A membership certificate in this Cooperative shall be issued to each member. No applicant for membership shall hold office until his/her certificate of membership shall have been issued.

Section 3. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises referred to in the application of such member for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Directors shall from time to time determine, and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member shall pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

Section 4. Non-Liability for Debts of the Cooperative. The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative, and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 5. Expulsion of Members. 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 the Articles of Incorporation of the Cooperative or these By-laws 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 6. Withdrawal of Membership. Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 7. 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 death, cessation of existence, expulsion or withdrawal of a member, or upon a member ceasing to be eligible for membership in the Cooperative, the membership of such member shall thereupon terminate, and the Certificate of Membership of such member shall be surrendered forthwith to the Cooperative. Any termination of membership for any reason shall not release the member from the debts or liabilities of such member to the Cooperative.

- (b) A membership may be transferred by a member to himself or herself and another person sharing the property served, jointly upon the written request of such member and compliance by such persons 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.
- (c) When a membership is held jointly, upon the death of any of the joint members, such membership shall be deemed to be held solely by the survivors with the same effect as though such membership had been originally issued solely to the survivors. The joint membership certificate may be surrendered by the survivors 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 survivors; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

Section 8. 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 any vacancy created by such removal may be filled by the members at such meeting. The director or officer 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 evidence; and the person or persons bringing the charges against him or her shall have the same opportunity.

## **ARTICLE II MEETING OF MEMBERS**

Section 1. Annual Meeting. Annual Meetings of the Members shall be held at such time and place as shall be designated by the Board of Directors, which time and place shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for the Annual Meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a Special Meeting of the members as soon thereafter as conveniently may be. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special Meetings of the Members may be called by at least three (3) directors or upon 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 such places as may be designated by the Board of Directors and specified in the notice of such meeting.

Section 3. Notice of Members Meetings. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than thirty-five (35) days before the date of the meeting, either personally, by mail, or by electronic transmission, 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 delivered when deposited in the United States Mail, addressed to the member at his or her address, as it appears on the records of the Cooperative, with postage thereupon prepaid. If the notice is sent by electronic transmission, an electronically transmitted notice shall be deemed delivered when electronically sent to a Member at the Member's electronic mail address shown in the Cooperative's records. In case of a joint membership, notice given to any one of the joint members shall be deemed notice to each of the 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 or voting by mail or electronically as authorized by the Board of Directors 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 any one or more of the joint members, shall be regarded as the presence of one member. 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. In all meetings of the Members at which a quorum is established, all questions shall be decided by a vote of a majority of the Members voting thereon at such meeting in person, by mail or by other electronic communication means, when authorized by the Board of Directors, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. If a two or more people 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 Electronic Ballot. Any Member may vote by mail and when authorized by the Board of Directors under these Bylaws, by electronic ballot upon any motion or resolution to be acted upon at any such meeting with respect to an amendment to the Articles of Incorporation or the Bylaws or any actions submitted pursuant to a resolution adopted by the Board of Directors or by petition of not less than 10% of the Members. The Secretary shall enclose and/or send with the notice of such meeting an exact copy of such motion or resolution to be acted upon and the Members who elects to vote by mail, or electronic ballot when authorized by the Board of Directors, shall expressly vote thereon by marking "Yes" or "No" on each such motion or resolution in the event of a mailed response, in the space provided therefore and enclose each such copy so marked in a sealed envelope bearing his or her name and addressed to the Secretary.

In the case of an electronic ballot, said ballot shall bear the name of the Member and shall be electronically transmitted to the Secretary of the Cooperative in the manner determined by the Board of Directors. When such written vote is received by mail or electronic ballot from any Member prior to the meeting, it shall be accepted and counted as a vote of such Member at such meeting.

Any Member may also vote by mail and, when so authorized by the Board of Directors, by electronic ballot in the election of directors as provided in these Bylaws. Any person holding a joint membership shall jointly be entitled to vote by mail or electronic ballot as provided in these Bylaws. The failure of any 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 as follows:

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the wavier 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 thereof.
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.

Section 8. Remote Member Meetings Participation and Voting. To the extent authorized by the Board of Directors, however, and subject to guidelines and procedures adopted by the Board of Directors, an annual or special meeting of the Members may be held without a geographical location if the meeting is held through the internet or other electronic communications technology in a manner:

1. Permitting the Cooperative to verify that each person participating in the meeting is a Member; and,
2. Permitting Members the opportunity to read or hear the proceedings substantially concurrent with their occurrence, vote on matters submitted to the Members, ask questions, and make comments.

Additionally, to the extent authorized by the Board of Directors, and subject to guidelines and procedures adopted by the Board of Directors, Members may participate in any Member meeting through remote or electronic communication. Members participating in a Member meeting through remote or electronic communications are deemed present, and may vote, at the Member meeting if the Cooperative has implemented reasonable measures:

1. that each person participating remotely or electronically is a Member; and,
2. To provide the Members a reasonable opportunity to participate in the Member Meeting, and to vote on matters submitted to the Members, including an opportunity to communicate, and to read or hear the proceedings of the Member meeting substantially concurrently with the proceedings. If the Board of Directors authorizes participation through remote or electronic communication, then the notice of the Member meeting must describe the means of remote or electronic communication to be used.

Section 9. Definitions. As used in these Bylaws, subject to the context requiring otherwise, and as determined by the Board of Directors:

1. “Electronic” and “Electronically” mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
2. “To Sign An Electronic Document” means, with present intent to authenticate or adopt the Electronic Document, to attach to, or logically associate with, the Electronic Document an electronic, sound, symbol, or process; and,

3. "Electronic Transmission" includes transmission through (a) electronic mail; (b) the Cooperative's website; or (c) a website or information processing system that the Cooperative has designated or uses to send, receive, or transmit electronic documents or electronic information, or to electronically conduct an action, transaction, business, meeting, or activity.

### **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 or by the Articles of Incorporation of the Cooperative or by these By-Laws conferred upon or reserved to the members.

Section 2. Qualification and Tenure. The directors serving as of the date of the adoption of these By-Laws shall serve until their terms shall have expired and until their successors shall have been elected and qualified. At each Annual Meeting of Members thereafter, directors shall be elected by and from the members to succeed those directors whose terms have expired, with directors so elected to serve terms of three years, and until their successors are elected and qualified. 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 the area 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; 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. The Board of Directors may, from time to time, adopt policies setting forth additional qualifications for directorship, which policies shall be designed to ensure that directors are informed, actively participating in the affairs of the Cooperative, avoid conflicts of interest, and properly fulfill their fiduciary obligations as a director of the Cooperative.

Section 3. Nominations. It shall be the duty of the Board of Directors to appoint, not less than ninety (90) days nor more than one hundred eighty (180) days before the date of a Meeting of the Members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members of the Cooperative who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least seventy-five (75) days before the meeting a list of nominations for directors, but any fifteen (15) or more members may make other nominations in writing over their signatures not less than sixty (60) days prior to the meeting, and the Secretary shall post the

same at the same place where the list of nominations made by the committee is posted. A ballot marked "Ballot for Directors" containing the names of all the nominees for the Board of Directors, alphabetically arranged and stating the residence of each, shall be mailed with the notice of the meeting. The Secretary shall also mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the Committee on Nominations and the nominations made by petition. Such statement of the Secretary shall also inform the members of the manner in which they may vote by mail for directors as provided in this Section. Any member may vote by mail for directors by marking on the ballot and indicating which candidates they wish to be elected up to a number equal to the number of directors to be elected, and enclosing the ballot in a sealed envelope bearing the member's name, addressed to the Secretary of the Cooperative. When such ballot so enclosed is received by mail from any member before the meeting, it shall be accepted and counted as a vote for directors by ballot of such member at such meeting. The members may, at any meeting at which a director or directors shall be removed, as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Any persons holding a joint membership may vote for directors by jointly marking and enclosing the ballot hereinabove provided for. Notwithstanding anything in this Section contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of directors.

Section 4. Vacancies. Subject to the provisions of these By-Laws with respect to removal of directors, vacancies occurring on 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 elected shall serve until the next Annual Meeting of the Members, or until their successors shall have been elected and shall have qualified.

Section 5. Compensation. Directors as such shall not receive any salary for their services as directors, 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 director 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 6. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative, or these By-Laws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

Section 7. 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 Administrator of the Rural Utilities Service of the United States of America. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following Annual Meeting.

#### **ARTICLE IV INDEMNIFICATION**

Section 1. Indemnification. The Cooperative shall indemnify any present or former director, officer, employee, member, or volunteer against expenses, including reasonable attorney fees, judgments, fines, and amounts actually paid in settlement and reasonably incurred to the fullest extent permitted under Iowa law. The Cooperative shall also indemnify any director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director is or was a director of the Cooperative, against reasonable expenses incurred by the director in connection with such proceeding. The Cooperative shall not indemnify any present or former director, officer, employee, member, or volunteer (a) in connection with a proceeding brought by the Cooperative or on behalf of the Cooperative in which such persons were adjudged liable to the Cooperative, or (b) in connection with any other proceeding charging improper personal benefit.

#### **ARTICLE V MEETING 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, and at the same place as, the Annual Meeting of Members. A Regular Meeting of the Board of Directors shall also be held monthly at such time and place as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call Special Meetings of the Board of Directors may fix the time and place for holding of any Special Meeting of the Board of Directors called by them.

Section 3. Notice of Meetings. Notice of the time, place, and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at his last known address. If mailed, such

notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting will constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the 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.

Section 6. Telephonic Meetings. Director meetings may be held by telephone conference call or by other means of communication by which all directors participating in the Board meeting may reasonably and verifiably identify themselves and simultaneously or approximately instantaneously communicate with each other during the Board meeting.

## **ARTICLE VI OFFICERS**

Section 1. Number. The officers of the Cooperative shall be a President, a Vice President, a Secretary, and a 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 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. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first Annual Meeting of the Board of Directors following the next succeeding Annual Meeting of Members and until their successors shall have been duly elected and shall have qualified, subject to the provisions of these By-Laws with respect to the removal of officers.

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 interests of the Cooperative will be served thereby.

Section 4. Vacancies. Except as otherwise provided in 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 of the Cooperative and shall preside at all meetings of the Board of Directors.
- (b) Shall sign, with the Secretary, if necessary, certificates of membership in the Cooperative, the issue of which shall have been authorized by resolution of the Board of Directors, and may sign any real estate deeds, mortgages, bonds, deeds of trust, notes, 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 these By-Laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed.
- (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.

Section 6. Vice President. In the absence of the President, or in the event of his 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 also perform such other duties and responsibilities as from time to time may be assigned to the Vice President by the Board of Directors.

Section 7. Secretary. The Secretary shall:

- (a) Keep the minutes of all Meetings of the Members and of 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 the custodian of all corporate records and the seal of the Cooperative and see that the seal of the Cooperative is affixed to all Certificates of Membership prior to the issue 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, along with the President, all Certificates of Membership, if necessary, 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 the By-Laws of the Cooperative 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 each member.
- (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 the Secretary by the Board of Directors.

Section 8. Treasurer. The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Cooperative.
- (b) Receive and give receipts for moneys due and payable to the Cooperative and from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these By-Laws.
- (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.

Section 9. CEO/Manager. The Board of Directors may appoint a CEO/Manager who may be, but who shall not be required to be, a member of the Cooperative. The CEO/Manager 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 vest in him or her.

Section 10. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer charged with responsibility for the custody of any of its funds or property, to give a bond 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 give such bond in such amount, with such surety or sureties, and containing such terms and conditions as it shall determine.

Section 11. Compensation. The compensation, if any, of any officer, agent, and

employee who is also a director or close relative of a director, shall be determined by the members, as provided elsewhere in these By-Laws; and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

Section 12. Reports. The officers of the Cooperative shall submit at each Annual Meeting of the Members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII CONTRACTS, CHECKS, AND DEPOSITS**

Section 1. Contracts. Except as otherwise provided in 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, or other orders for the payment of money, and all notes, or other evidences of indebtedness issued in the name of the Cooperative shall be signed 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 the credit of the Cooperative in such bank or banks as the Board of Directors may select.

## **ARTICLE VIII MEMBERSHIP CERTIFICATES**

Section 1. Certificates of Membership. Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in the form and shall contain provisions as shall be determined by the Board of Directors, provided such terms are not contrary to or inconsistent with the Articles of Incorporation of the Cooperative or these Bylaws. If necessary, such certificates shall be signed by the President and by the Secretary of the Cooperative, and the corporate seal shall be affixed thereto.

Section 2. Lost Certificates. In case of a lost, destroyed or mutilated Membership Certificate, a new Membership Certificate may be issued upon such terms, and with appropriate indemnity provisions to the Cooperative as the Board of Directors may prescribe.

## **ARTICLE IX REVENUES AND RECEIPTS**

Section 1. Disposition of Revenues and Receipts. No dividends or interest shall be paid upon issuing price of memberships in the Cooperative, if any. 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 revenue and receipts for such fiscal years as

## **ARTICLE X 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 joint membership, a waiver of notice signed by any one of the joint members shall be deemed a waiver of notice of such meeting by all of the joint members.

## **ARTICLE XI DISPOSITION OF PROPERTY**

A sale, lease, exchange or other disposition of all, or substantially all, the property and assets, with or without the good will, of the cooperative, if not made in the usual and regular course of its business, may be made upon the 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 Chapter 499 of the Code of Iowa as may be authorized in the following manner:

- (a) The Board of Directors 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 either be an Annual or a Special Meeting.
- (b) Written or printed notice shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided in this chapter for the giving of notice of meetings of members, and, whether the meeting be an Annual or a 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 the cooperative association.

- (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 or all of the terms and conditions thereof and the consideration to be received by the cooperative association. Such authorization shall be approved if two-thirds of the members vote affirmatively on a ballot in which a majority of all voting members participate.
- (d) After such authorization by a vote of members, the Board of Directors nevertheless, in its discretion, may 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.

The Board of Directors may adopt such other procedures and requirements relative to a sale of all or substantially all of the assets of the Cooperative to the extent the same are not inconsistent with the provisions of these Bylaws.

However, notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or from any national financing institution organized on a cooperative, non-profit basis, and in connection with such borrowing to authorize the making and issuance of bonds, notes or any other evidences of indebtedness, and, to secure the payment thereof, to authorize the execution and delivery of any real estate mortgages or deed or deeds of trust upon, or the pledging or encumbrance of any of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine.

## **ARTICLE XII FISCAL YEAR**

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

## **ARTICLE XIII MEMBERSHIP IN OTHER ORGANIZATIONS**

The Cooperative may become a member of any other organization by an affirmative vote

of at least two-thirds (2/3) of the members of the Board of Directors at any Regular or Special Meeting held as provided in these By-Laws.

#### **ARTICLE XIV 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 XV AMENDMENTS**

These By-Laws may be altered, amended or repealed by a vote of seventy-five per centum (75%) of the Directors or by the Members of the Cooperative at any Regular or Special Meeting. The notice of the meeting shall contain a copy of the proposed amendment, alteration or repeal to be considered at the meeting.