

**BYLAWS
OF
IOWA LAKES ELECTRIC COOPERATIVE**

ARTICLE I

MEMBERS

Section 1. Requirements for Membership. The limitations, conditions, restrictions, and rights pertaining to membership, and the privileges, duties and obligations of members are set forth in the Articles of Incorporation and these Bylaws of the Cooperative.

Section 1A. Member Classes. Based on the Cooperative service use or to be used by a Member, the Cooperative may group members in the following classes ("Member Classes"):

- (a) Class A Member: Members that annually require or are expected to request or agree to continually use, electric energy marketed, or sold by the Cooperative for substantially all the electric energy used or to be used by Member.
- (b) Class B Member: A member that has purchased power by the Cooperative pursuant to a Power Purchase Agreement.

Except as otherwise provided in these By Laws, a Member includes all Member Classes and all members have the same rights and obligations.

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed by the Secretary. In case a certificate is lost, destroyed, or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

Section 3. Facilities and Equipment. All service lines and all meters, switches and other appliances and equipment constructed or installed by the Cooperative in or on the property of any Member, except so much thereof, if any, as shall be paid for by the Member, shall at all times be the property of the Cooperative, and the Cooperative shall have the right and privilege to enter upon the premises of any Member to repair or service the same, and upon the discontinuance of the service for any reason, to remove the same.

Section 4. Joint Memberships. A husband and wife may apply for a joint membership, and subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "Member" as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of such membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a waiver of notice of both of the meeting.
- (b) The vote of either separately or both jointly shall constitute one vote.
- (c) A waiver of notice signed by either or both shall constitute a joint waiver.
- (d) Notice to either shall constitute notice to both.
- (e) Expulsion of either shall terminate the joint membership.
- (f) Withdrawal of either shall terminate the joint membership.
- (g) Either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.

Section 5. Effect of Legal Separation or Divorce upon Joint Membership. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint. Provided, that the other spouse shall not be released from any debts to the Cooperative.

Section 6. Membership by Other than Persons. If a partnership, corporation, or other entity complies with the Articles of Incorporation, such entity may have a membership in the Cooperative. The holders of such membership shall be bound by the following rules:

- (a) The membership shall only be entitled to one vote.
- (b) Waiver of notice signed by a partner, officer, manager or other authorized person on behalf of the Member shall constitute a waiver of notice of the member.

- (c) Notice to a partner, officer, manager or other authorized person of the entity on behalf of the Member shall constitute notice to the member.
- (d) A partner or designated officer of a partnership, corporation or other entity may be elected to office, provided that such person otherwise meets the qualifications for such office.

Section 7. Transfer and Termination of Membership.

- (a) Membership in the Cooperative and a Certificate of Membership 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. 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 his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of these Bylaws and the Articles of Incorporation of the Cooperative. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original Membership Certificate representing the membership so transferred.
- (c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint Membership Certificate may be surrendered by the survivor, and upon the recording of such death on the books of the Cooperative, the Membership Certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased member shall not be released from any membership, debt or liabilities to the Cooperative.

Section 8. Service Connection Fees. Fees shall be paid for each connection, extension, and other available service in accordance with the rules and regulations prescribed by the Board, and in accordance with the Cooperative's tariff.

Section 9. Purchase of Electric Service. Each member shall, as soon as electric service is available, take electric service from the Cooperative to be used on the premises specified in his application for membership, and shall pay therefor monthly, at rates which shall from time to time be fixed by the Board, subject to approval by such regulatory authority or authorities as may have jurisdiction. Each member shall pay to

the Cooperative such minimum amount per month for electric service as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall be come due and payable.

ARTICLE II

Rights and Liabilities of Members

Section 1. Property Interest of Members. Upon dissolution, after: (a) all debts and liabilities of the Cooperative shall have been paid; (b) all capital furnished through patronage shall have been retired, as provided in these By-Laws; the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative, and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The date, time, and place of the annual meeting of the members shall be determined by the Board of Directors and shall be designated in the notice of the meeting 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. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or legal holiday, such meeting shall be held on the next succeeding business day. 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 resolution of the Board, or upon a written request signed by any three directors, by the President, or by not less than twenty percent (20%) 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 the service area of the Cooperative, as specified in the notice of the special meetings.

Section 3. Notice of Members' Meetings. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for

which the meeting is called shall be delivered not less than ten days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, 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 member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. 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. The presence of fifty (50) members in person shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. Minutes of each meeting shall contain a list of the members present in person.

Section 5. Voting. As stated in the Articles of Incorporation, no Member shall own more than one membership and each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the membership. Voting by proxy and cumulative voting shall not be permitted. If two or more persons hold one membership certificate in partnership, joint tenancy, or otherwise, the vote of such membership may be cast by any one of such persons, or as otherwise directed by the Board of Directors. A Member may submit a mail vote on any motion, resolution, or amendment to be acted upon at such meeting, provided the Board of Directors has specifically authorized a mail ballot. A mail vote must be cast on a ballot containing the exact text of the proposed motion, resolution, or amendment by delivering such ballot to the Cooperative's headquarters or depositing such ballot in the United States Mail or with another delivery service, addressed to the headquarters of the Cooperative. 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 present in person or represented by mail vote except as otherwise provided by law, the Cooperative's Articles of Incorporation or these Bylaws.

Section 6. 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, except as otherwise determined by the members at such meeting;

1. Report on the number of members present in person in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver 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 reports of officers, directors, and committees;
5. Election of directors;

6. Unfinished business;
7. New business;
8. Adjournment.

Section 7. Rules of Order. Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws, and of any other committee of the members or Board of Directors that may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE IV

Directors

Section 1. General Powers: The business and affairs of the Cooperative shall be managed by a board of directors, which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation, or these By-Laws, conferred upon or reserved to the members. The Board may appoint a Manager who may be, but who shall not be required to be, a member of the Cooperative. The Manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in him.

Section 2. Qualifications. To become or remain a Director, an individual must comply with the following Director Qualifications during his or her term:

- (a) Be at least eighteen (18) years of age and have the capacity to enter legally binding contracts.
- (b) A resident of the geographic district from which he or she is to be elected. If a representative or agent of a member that is not a natural person, i.e., a corporation, partnership, limited liability company, or similar, then the representative or agent designated as a nominee for Director shall be an individual residing within the geographical district from which he or she is nominated.
- (c) Be a purchaser, or a representative or agent of a member that is not a natural person that is a purchaser, of electric services from the Cooperative and for not less than two years prior to nomination.
- (d) While a Director, and during the five years immediately prior to becoming a Director, not have been employed as an employee, or be the spouse of an employee, of the Cooperative or its subsidiaries.
- (e) Not be a close relative of an incumbent Director or of an employee of the

Cooperative or its subsidiaries; provided however, no incumbent Director shall lose eligibility to remain a Director or to be re-elected as a Director if that person becomes a close relative of another incumbent Director or of an employee of the Cooperative or its subsidiaries because of a marriage to which he or she was not a party. For an individual nominated to be a Director, an "incumbent Director" shall be interpreted as a current Director whose term will continue following the next annual meeting of members.

- (f) While a Director, and during ten (10) years immediately prior to becoming a Director, not be employed by, materially affiliated with, or have a material financial interest in, any individual or entity that either is:
 - (1) directly or substantially competing with the Cooperative; or
 - (2) selling goods and services in substantial quantity to the Cooperative; or

For purposes of this section, the term "substantially" or "substantial" shall be interpreted as constituting a minimum of 10 percent of an individual's or entity's total hours of employment, sales, or income on an annual basis;

- (g) not be or become the full-time employee or agent of, or be or become the full-time employer or principal of, another Director;
- (h) while a Director, and during the ten (10) years immediately prior to becoming a Director, not have been convicted of a felony or plead guilty to a felony.
- (i) be only one, and not more than one, member of a joint membership; provided, however, that none shall be eligible to become or remain a Director unless all shall meet the qualifications hereinabove set forth.

"Close Relative" as used in these Bylaws, means a person who (a) by blood or in law, including step, half, foster and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal or (b) resides in the same residence as of the principal (collectively, "Close Relative.")

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board shall remove such Director from office.

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

(Note: This Amendment to Article IV, Section 2, of the Bylaws applies to Directors who are elected, re-elected or appointed after the April 12, 2008, annual membership meeting.)

Section 3. Nominations. Not less than 75 and not more than 90 days prior to the annual meeting of members, the nominating committee shall nominate at least one candidate for each Board vacancy to be filled on the Board of Directors, and two candidates for each vacancy to be filled on the nominating committee. The nominating committee shall be elected for one year terms as provided herein. At the annual meeting prior to the one in which no director elections are held in Districts III and IV, the nominating committee members from those districts are elected to serve for a two year term. Qualifications for membership on the nominating committee shall be the same as for membership on the Board of Directors. No officer or member of the Board of Directors shall be nominated or appointed to serve as a member of the nominating committee.

A member of the nominating committee is eligible for nomination to a vacancy on the Board of Directors, but shall not participate in the nominating committee's actions with regard to the selection of nominees for the Board of Directors from his or her Director District.

Vacancies on the nominating committee may be filled by the affirmative vote of a majority of the remaining members of the committee from among the members residing in the district from which the vacancy was created, for the unexpired portion of the term.

The nominating committee shall prepare and post, not less than 75 days before the annual meeting at the principal office of the Cooperative, a list of nominations for directors and members of the nominating committee, but any fifteen or more members may make other nominations from their district in writing over their signatures, not less than 45 days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the nominating committee is posted.

If a director or nominating committee candidate withdraws their nomination in writing not less than 60 days prior to the meeting, then the nominating committee members from the district of the withdrawing candidate shall nominate a replacement candidate not less than 45 days prior to the meeting, and the Secretary shall post the replacement candidate nomination at the same place where the list of nominations made by the full nominating committee is posted.

A ballot marked "Ballot for Directors and Nominating Committee," containing the names of all the nominees so posted, arranged by district alphabetically, identifying the incumbent by asterisk on the ballot, and stating the residence of each, shall be mailed, with the notice of annual meeting. If a director or nominating committee candidate withdraws their nomination in writing less than 60 days prior to the meeting, then that candidate's name shall remain on the "Ballot for Directors and Nominating Committee." However, the candidate's name will be stamped with the words, "Candidate's Name Withdrawn By A Late Notice Request."

The Secretary shall also mail the notice of the meeting, a statement of the number of directors to be elected from each district, 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 member of the manner in which he or she may vote by mail for directors and members of the nominating committee, as provided in this section. Any member may vote by mail for directors and members of the nominating committee by marking his or her ballot with an "X" opposite

the name of the candidates for whom he or she wishes to vote and enclosing the ballot in a sealed envelope bearing his or her name, addressed to the Cooperative.

Section 4. Removal of Directors by Members. Any member may bring charges against a director and, by filing with the Secretary such charges in writing, together with a petition signed by at least 20 percent of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel, and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 5. Vacancies. Subject to the provisions of these By-Laws, with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining directors, from among the members residing in the district from which the vacancy was created, for the unexpired portion of the terms, provided, however, that in the event the vacancy is not filled by the Board within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions in respect of nominations.

Section 6. Compensation. Directors shall not receive any salary for their services as directors, except that by resolution of the Board a per diem fee and actual expenses of attendance, if any, may be allowed for attendance at such meetings as shall be authorized by the Board of Directors. No director shall receive compensation for serving the Cooperative in any other capacity.

Section 7. Director Districts. As required by section 499.36(5) of the Iowa Code and Article VIII, section 2, of the Articles of Merger, the boundaries of the Cooperative's four (4) numbered director districts are those portions of the following Counties and Townships that are included in the Cooperative's electric service territory:

(a) District I

(1) Townships in Dickinson County - Center Grove, Diamond Lake, Excelsior, Lakeville, Milford, Okoboji, Richland, Silver Lake, Spirit Lake, Superior, and West Port

(2) Townships in Clay County - Freeman, Lone Tree, Meadow, Riverton, Sioux, Summit, and Waterford

(3) Townships in O'Brien County--Hartley

(3) Townships in Osceola County—all

(4) Townships in Jackson County, Minnesota---all

(b) District II

(1) Townships in Buena Vista County—all

(2) Townships in Cherokee County—all

(3) Townships in Ida County—all

(4) Townships in O'Brien County—Caledonia, Liberty, Union and Waterman

(5) Townships in Plymouth County— all

(6) Townships in Sac County---all

(c) District III

(1) Townships in Calhoun County—all

(2) Townships in Clay County— Clay, Douglas, Garfield, Gillett Grove, Herdland, Lincoln, Logan, and Peterson

(3) Townships in Humboldt County--all

(4) Townships in Palo Alto County-- Booth, Ellington, Emmetsburg, Fairfield, Fern Valley, Freedom, Great Oak, Highland, Nevada, Rush Lake, Silver Lake, and West Bend

(3) Townships in Pocahontas County— all

(d) District IV

(1) Townships in Clay County-- Lake

(2) Townships in Dickinson County— Lloyd

(3) Townships in Emmet County— all

(4) Townships in Kossuth County—all

(5) Townships in Palo Alto County— Independence, Lost Island, Vernon, Walnut

(6) Townships in Martin County, Minnesota—all

ARTICLE V

Meetings of Directors

Section 1. Regular Meetings. A regular meeting of the Board shall be held without notice, immediately after, and at the same place, as the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place as the Board may provide by resolution. Such regular monthly meeting may be held without notice, other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board may be called by the President or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Directors' Meetings. Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each director not less than five (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary or upon a default in duty by the Secretary, by the President, or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum. A majority of the Board shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and, provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE VI

OFFICERS

Section 1. Officers. The officers of the Cooperative shall be a Chair, a Vice Chair, a President, a Secretary, and a Treasurer. The Board of Directors may also elect such other officers as may be determined by the Board from time to time. The offices of the Secretary and Treasurer may be held by one person, in which case the officer so serving shall be called the Secretary-Treasurer. Any such other officer who is an

employee of the Cooperative shall report to and be subject to the authority of the President.

Section 2. Election and Term of Office. The officers shall be elected by ballot annually by the Board at the meeting of the Board held immediately after the annual meeting of the members. The Chair, Vice Chair, Secretary and Treasurer shall be a Director. Directors shall not be elected as vice presidents who have management and operations authority over specific Cooperative functions. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members, or until his or her successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, the vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Directors. Any officer or agent elected or appointed by the Board may be removed by the Board whenever, in its judgment, the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and, by filing with the Secretary such charges in writing, together with a petition signed by 20 percent of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board Meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

Section 4. Chair. The Chair shall:

(a) unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;

(b) no change from current Bylaws]; and

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

Section 5. Vice Chair. In the absence of the Chair, or in the event of his inability or refusal to act, the Vice Chair shall perform the duties of Chair, and, when so acting, shall have all of the powers and be subject to all the restrictions upon the Chair. The Vice Chair shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 6. Secretary. The Secretary shall:

(a) keep the minutes of the meetings of the members and of the Board 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 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 names and post office addresses of all members;

(e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board or the members;

(f) have general charge of the books of the Cooperative;

(g) keep on file at all times a complete copy of the Articles of Incorporation and 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, upon request; 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 by the Board.

Section 7. Treasurer. The Treasurer shall:

(a) have charge and custody of, and be responsible for, all funds and securities of the Cooperative;

(b) be responsible for the receipt of and the issuance Cooperative, and for the deposit of 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; 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 by the Board.

Section 8. President. The President shall be the Chief Executive Officer of the Cooperative and shall perform such duties of operations and management on behalf of the Cooperative as may from time to time be assigned by the Board of Directors.

Section 9. Bonds of Officers. The Treasurer, and any other officer or agent of

the Cooperative charged with responsibility for the custody of any of its funds or property, shall give bond in such sum and with such surety as the Board shall determine. The Board, in its discretion, may also require any other officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 10. Compensation. The powers, duties, and compensation of officers, agents, and employees shall be fixed by the Board, subject to the provisions of these By-Laws.

Section 11. 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. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year

Section 12. Employment of Relatives. The Cooperative shall not employ members of the immediate family of any director.

ARTICLE VII

NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The association shall, at all times, be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the association on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection With Furnishing Electric Services. The Board of Directors shall annually allocate any revenues remaining after the payment of all expenses of operation in accordance with the provisions of the Articles of Incorporation.

ARTICLE VIII

SEAL

The Cooperative shall have a corporate seal which shall be in the form of a circle and bear the name of the Cooperative and the word "Iowa".

ARTICLE IX

FINANCIAL TRANSACTIONS.

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board 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 bonds, 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.

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 may select.

Section 4. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day in January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE X

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 XI

EASEMENTS AND MEMBER COOPERATION

Each Member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement right-of-way over, on, and under such lands owned or leased by or mortgaged to the Member, without compensation and in accordance with such reasonable terms and conditions as the Cooperative shall require, for the furnishing of electric service to him or other members or for the construction, operation, maintenance, upgrading or relocation of the Cooperative's electric facilities. Each Member shall participate in any required program to comply with related rules and service rules and regulations that may be established by the Cooperative to enhance load management, to more efficiently utilize or conserve electric energy, or to conduct load research.

ARTICLE XII

MISCELLANEOUS

Section 1. Membership in Other Organizations. The association may become a member of, or purchase stock in, any other organization on adoption of an appropriate resolution by a majority of the Board of Directors.

Section 2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in ease a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

Section 3. 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, or these By-Laws, as it may deem advisable for the management of the business and affairs of the association, except that any such rule adopted with respect to inspection of books and records, shall not contain any provision that requires a purpose for the inspection or that member be found to be acting in good faith to make such an inspection. It is the intent of this Bylaw that the books and records of this Cooperative, together with its membership list, are the property of the members of the Cooperative and subject to inspection at any reasonable time.

Section 4. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system which shall comply with all applicable laws and with all rules and regulations of any regulatory body having jurisdiction over the operations of the association. The Board of Directors shall also, after the close of each fiscal year, cause to be made an audit by a Certified Public Accountant under the accounts, books, and financial condition of the association, as of the end of such fiscal year. Such audit report shall he submitted to the members at the next following annual meeting.

Section 5. Ownership and Operation of Wind Generation Facilities. As provided by Article II of the Articles of Merger, the Cooperative may own and operate wind generation facilities and contract for the sale of such wind-generated energy to generation and transmission electric cooperatives. The Cooperative's ownership and operation of wind generation facilities will assist the Cooperative in its obligation to furnish electric service to its members at the lowest possible cost consistent with good management practices.

ARTICLE XIII

AMENDMENTS

The directors, by a vote of seventy-five percent (75%) of the directors, may adopt, alter, amend, or repeal By Laws for the association, and the same shall remain in force until altered, amended, or repealed by a vote of seventy-five percent (75%) of the members present or represented at any annual meeting or special meeting of the members.

Updated: November 24, 2009