

RESTATED AND SUBSTITUTED

BY-LAWS

OF THE PELLA COOPERATIVE ELECTRIC ASSOCIATION

**ARTICLE I
MEMBERS**

As Amended October 30, 2003

Section 1. **Qualifications and Obligations.** Any individual acting for himself or as an accredited representative of an association, corporation, partnership or organization, and who customarily uses the services rendered by the Cooperative may become a member in the Cooperative by:

- (a) Receiving a membership certificate from the Association;
- (b) Agreeing to purchase from the Association the amount of electric energy as hereinafter specified; and
- (c) Agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these By-Laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors, provided however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members.

At each meeting of the members, all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Directors shall be submitted by the Board of Directors to such meeting of the members and subject to compliance by the applicant with the conditions set forth in subdivisions (a), (b) and (c) of this section, such application for membership may be accepted by a vote of the members of such meeting. The Secretary shall give any such applicant at least ten (10) days prior notice of the date of the members' meeting to which his or her application will be submitted and such applicant may be present and heard at the meeting. No person, firm, corporation or body politic may own more than one (1) members in the Cooperative.

As Amended October 30, 2003

Section 2. **Membership Fee.** The Cooperative shall have no capital stock, but membership in the Cooperative shall be evidenced by a certificate of membership.

Section 3. **Purchase of Electric Energy**. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative monthly, not less than the minimum amount of electric energy which shall from time to time be determined by resolution of the Board of Directors and shall pay therefore, and for all additional electric energy used by such member, the price which shall from time to time be fixed therefore by resolution of the Board of directors. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable. Each member shall comply with such rules and regulations as may from time to time be adopted by the Board of Directors.

Section 4. **Joint Membership**. A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into a joint membership. The words “member”, “applicant”, “person”, “his” and “him” as used in these By-Laws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities, and liabilities of membership shall apply equally, severally, and jointly to them, without limiting the generality of the foregoing:

- a. The presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting, and a revocation of any proxy executed by either or both;
- b. The vote of either or both shall constitute, respectively, one joint vote; PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote;
- c. Notice to or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- d. Suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- e. Either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and
- f. Neither will be permitted to have any additional service connections except through their one joint membership.

Section 5. **Non-liability for Debts of the Cooperative**. The private property of the members of the Cooperative shall be exempt from execution for the debt of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 6. **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 7. **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.

As Amended October 30, 2003

Section 8. **Transfer and Termination of Membership.**

(a). Membership in the Cooperative and the certificate representing the same shall not be transferable, and upon the death, expulsion or withdrawal of a member, or upon a member ceasing to be eligible to membership in the Cooperative, the membership of such member shall thereupon terminate, and his or its certificate of membership shall be surrendered to the Cooperative. Subject to the payment of all debts and liabilities of a member to the Cooperative, upon any such termination of membership and the surrender of his or its membership certificate, the Cooperative shall pay to such member or his personal representative, the value of the membership as shown by the books of the Association on the date of the termination. Such payment in the case of expulsion of a member shall be made within sixty (60) days after such expulsion. In the case of ineligibility or the death of a member, such payment shall be made to the member or his personal representative within two (2) years after his ineligibility or death. Interest shall not in any case be paid upon the value of membership. Any such termination of membership 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 subdivision (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 by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative the certificate may be

reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

(d). A service charge shall be charged against deposit/membership fee and/or deferred patronage account of a cooperative member when the same becomes payable, and such member cannot be located. A service charge for amounts in excess of \$10.00 shall be at the rate of twenty percent (20%) per year and all accounts less than \$10.00 shall be assessed a service charge equal to the amount necessary to compensate the cooperative for attempting to locate the member.

Section 9. **Effect of Legal Separation or Divorce Upon Joint Membership.** Upon the legal separation or divorce of the holder 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 be not released from any debts of the Cooperative.

Section 10. **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 percentum (10%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and, by a vote of a majority of all members, the officer or director may be removed. The officer or director against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses, and the person or persons bringing the charges against him shall have the same opportunity. The vacancy in the Board of Directors occasioned by such removal may be filled by the members. The vacancy occasioned by the removal of any officer shall be filled by the Board of Directors as provided in Section 4 of these By-Laws.

ARTICLE II MEETINGS OF MEMBERS

As Amended June 28, 1984

Section 1. **Annual Meetings.** The regular annual meeting of the members of the Cooperative shall be held on such date, and at such place in the area served by the Cooperative as shall be established, from year to year, by resolution of the Board of Directors, 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 election of directors shall not be held on the day designated for any annual meeting, or at 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 a written request signed by at least ten percentum (10%) of all the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Marion, in the State of Iowa specified in the notice of the special meeting.

Section 3. **Notice of Members' Meeting**. 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) days nor more than twenty (20) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member; provided, however, that with respect to all meetings at which directors are to be elected such notice shall be so delivered not less than ten (10) days nor more than twenty (20) days before the date of the meeting. 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. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members.

Section 4. **Failure to Receive Notice**. 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 annual or special meeting.

Section 5. **Quorum**. As long as the total number of members does not exceed five hundred (500) at least ten percentum (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members shall exceed five hundred (500) then at least fifty (50) members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband or wife, or both, 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.

As amended April 6, 2010

Section 6. **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 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 absent from any meeting may submit a

mail vote on any motion, resolution, amendment or other proposition, including election of directors, of which the member has been previously notified in writing to be acted upon at such meeting, provided a mail ballot has been specifically authorized by the Board of Directors. A mail vote must be cast and received on a ballot containing the exact text of the proposed motion, resolution, amendment or other proposition by depositing such ballot in the United States Mail, with postage prepaid, addressed to the Secretary at the business office of the Cooperative not later than the final call for ballots at the Annual Meeting. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of the members present in person or represented by mail vote except as otherwise provided by law, the Articles of Incorporation of the Cooperative or these Bylaws. The election of directors shall be by ballot and each member shall have the right to cast one vote for each director position to be elected at such election. The number of candidates equal to the number of directors to be elected (by district or “at-large”) receiving the highest number of votes shall be elected for the term specified in Section 2 of Article III of these Bylaws.

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 waiver or waivers of notice of the meeting as the case may be;
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon;
4. Election of directors;
5. Presentation and consideration of, and acting upon, reports of directors and committees;
6. Unfinished business;
7. New business;
8. Adjournments.

**ARTICLE III
DIRECTORS**

As Amended October 30, 2003

Section 1. **General Powers.** The business and affairs of this Cooperative shall be managed by a board of directors who must be members of this Association. The Board of Directors of the Association shall be a variable-range sized board of directors consisting of not less than five (5) and not more than nine (9) directors, as the board of directors shall from time to time establish.

As Amended April 6, 2010

Section 2. **Qualification and Tenure.** The Cooperative's service territory shall be divided into four (4) geographic sectors or districts with each containing, as near as possible, an equal number of members. The four (4) districts will be known as:

- District 1 – Northwest Sector
- District 2 – Northeast Sector
- District 3 – Southwest Sector
- District 4 – Southeast Sector

A map reflecting the district boundaries for each of the above four (4) districts shall be maintained at the Cooperative's headquarters which map may be revised or redistricted by board action from time to time so that the districts contain as nearly as possible an equal number of members within the Cooperative's four (4) voting districts.

One (1) Cooperative board member, or director, will be elected from each of the four (4) numbered districts indicated. A director elected to represent one of the four (4) numbered districts will be a resident of the district he or she is elected to represent.

In addition, up to five (5) "at-large" directors who are residents of the Cooperative's service area (exact number of at-large directors to be determined by the Cooperative's Board of Directors and as by law allowed) will be elected, regardless of where he or she resides within the Cooperative service area.

At each annual meeting of the members, a number of directors equal to the number of vacant seats on the board of directors shall be elected to hold office for a term of three (3) years, or until their respective successors shall have been elected and qualified. The election of directors shall be by ballot and each voting member shall be entitled to cast one (1) vote for each director to be elected, as more specifically described in Article II, section 6 of these By-Laws. 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 in the area served by the Cooperative, or who is anyway 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 and supplies to the members of the Cooperative. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualification hereinabove set forth. Nothing in this section contained shall, or shall be constructed to,

affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

As Amended May 27, 2010

Section 3. **Nominations.** It shall be the duty of the Board of Directors to appoint not less than sixty (60) days nor more than one hundred twenty (120) 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 area 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 forty-five (45) days before the meeting a list of nominations for directors.

Such nominations shall be made by districts as herein prescribed or for the at-large seats, to succeed the directors whose terms will expire at the meeting of members for which such nominations are made, and the members so nominated shall meet the qualification requirements as set forth in the By-Laws and be bona fide residents of the district (for directors elected by district) from which they are nominated. At-Large directors must reside within the Cooperative's service area. Any fifty (50) or more members may make other nominations in writing over their signatures not less than thirty-five (35) days prior to the meeting at which the directors are to be elected, and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted; such nominations so made by such members to be subject to the same qualifications, district, and residence requirements as nominations by the Nominating Committee heretofore prescribed.

A ballot marked "Ballot for Directors" containing the names of all nominees so posted, arranged by district and alphabetically within such district and/or marked "at-large", 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 from each district and/or "at-large" 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 the directors as provided in this section.

Each voting member is entitled to cast one (1) vote for each director position to be filled (whether that is a district director position or an "at-large" director position).

Any member who is absent from any such meeting may vote by mail for directors by marking on the ballot opposite the names of the number of candidates from each district no more than the number of directors to be elected from such district and/or the number of directors to be elected to "at-large" seats and enclosing the ballot in a sealed envelope bearing his/her name addressed to the Secretary of the Cooperative. When such ballot so enclosed is received by mail from any absent member it shall be accepted and counted as

a vote for directors by ballot of such absent members at such meeting. The provisions of this Section shall not be mandatory in the case of recall of one or more directors.

The Board of Directors may be permitted to establish and utilize such other balloting methods as permitted by law, provided the procedures for such balloting are set forth in the by-laws.

If necessary, the Board may revise the director districts, which may include the creation of new director districts, to ensure that members are equitably represented by the director districts.

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 action taken at any meeting of the board of directors.

Section 4. **Vacancies**. Subject to the provisions of these By-Laws with respect to the removal of directors, vacancies occurring in the board of directors 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.

As Amended May 16, 1972

Section 5. **Compensation**. Directors as such shall not receive any salary for their services, but by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors or attendance at committee or other meetings as authorized by the board of directors.

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 Electrification Administration of the United States of America. All accounts of the Cooperative shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four (4) times a year at regular meetings of the Board of Directors. 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 conditions 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.

Section 8. **Change in Rates.** Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

ARTICLE IV MEETING OF DIRECTORS

As Amended June 28, 1984

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 the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in Iowa, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

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

Section 3. **Notice.** Notice of 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 shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors are present at said meeting, a majority of 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.

ARTICLE V OFFICERS

Section 1. **Number.** The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer and such other officers as may be determined by the Board of Directors from time to time. The office of Secretary and of Treasurer may be held by the same person.

As Amended on May 16, 1968

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 meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall be qualified, subject to the provisions of these By-Laws with respect to the removal of officers. Compensation for directors may be paid as provided in Article III, Section 5 of these By-Laws.

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

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

(b). Shall sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c). In general shall perform all 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 restrictions upon the

President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. **Secretary.**

(a). Keep the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;

(b). See that all notices are duly given in accordance with these by-laws or as required by laws;

(c). Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the 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 addresses of each member which shall be furnished to the Secretary by such member;

(e). Sign with the President certificates of membership, 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 Corporation 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 all amendments thereto to each member; 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 of Directors.

Section 8. **Treasurer.**

(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 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; 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 of Directors.

Section 9. **Manager**. The Board of Directors 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 as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

Section 10. **Bonds of Directors**. The Board of Directors shall require the treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety 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 bond in such amount and with such surety as it shall determine.

Section 11. **Compensation**. The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director, shall be determined by the members, as provided 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 VI

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, 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 of Directors.

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

ARTICLE VII

MEMBERSHIP CERTIFICATES

Section 1. **Certificates of Membership**. Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in such form and shall contain

such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these By-Laws. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto.

As Amended October 30, 2003

Section 2. **Lost Certificate**. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE VIII
REVENUES AND RECEIPTS

Section 1. **Disposition of Revenues and Receipts.** No dividends shall be paid upon memberships in the Cooperative. Subject to the 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 provisions for the payment of all obligations and expenses of the Cooperative properly chargeable against its revenues and receipts for such fiscal year, apply the unexpired revenues and receipts for such fiscal year in the manner provided in the Articles of Incorporation of the Cooperative.

ARTICLE IX
WAIVER OF NOTICE

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

ARTICLE X
AUTHORIZED REPRESENTATIVE

As Amended October 30, 2003

At all meetings of members, each corporate or business member shall be represented by its duly authorized representative or alternate. Such member shall notify the Cooperative of the individual serving as its authorized representative or alternate and such notification shall be in writing. The authorization may apply for all future meetings until further notified by the member, or may be specific in nature, applying to only one meeting.

ARTICLE XI
DISPOSITION OF PROPERTY

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

(a). Property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities; provided, however, that all sales of such property shall not in any one (1) year exceed in value ten percentum (10%) of the value of all of the property of the Cooperative;

(b). Services of all kinds, including electric energy; and

As Amended October 16, 1969

(c). Personal property acquired for resale, unless such sale, mortgage, lease or other disposition or encumbrances is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of the members voting thereon at such meeting in person or by mail, and 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, without authorization by the members, shall have full power and authority to borrow from the United States of America, or any agency instrumentality thereof and the National Rural Utilities Cooperative Finance Corporation, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired, or to be acquired, and whenever situated, all upon such terms and condition 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 end on the thirty-first day of December of the same year.

**ARTICLE XIII
MEMBERSHIP IN OTHER ORGANIZATIONS
As Amended October 16, 1969**

The Cooperative shall not become a member of any other organization without an affirmative vote of seventy-five percent (75%) of the Directors.

**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
As Amended on February 18, 1964**

The Directors by a vote of seventy-five percent (75%) of the Directors may adopt, alter, amend, or repeal By-Laws for the Cooperative, 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.

The foregoing Amended and Substituted By-Laws of the Association were duly adopted by vote of at least seventy-five (75%) percent of the duly appointed and acting Directors for the Cooperative at a meeting of the Board of Directors on the _____ day of _____, 2003.

PELLA COOPERATIVE ELECTRIC ASSOCIATION

Sam Nichols, Secretary