

ARTICLES OF INCORPORATION

SOUTHWEST IOWA RURAL ELECTRIC COOPERATIVE

**(As set forth in Articles of Consolidation
Filed with the Iowa Secretary of State on 10/17/03 to be effective 1/1/04
and as Amended at the Annual Meeting 9/17/13)**

ARTICLE I

NAME, PRINCIPAL OFFICE AND REGISTERED AGENT

The name of the Cooperative is Southwest Iowa Rural Electric Cooperative.

The principal registered office of the Cooperative is located in Corning, Adams County, Iowa, and the initial Registered Agent will be Dennis L. Puckett, 801 Grand Avenue, Suite 3500, Des Moines, Iowa 50309-2719.

Southwest Iowa Rural Electric Cooperative is organized under the provisions of Chapter 499 of the Code of Iowa (2001).

ARTICLE II

PURPOSES AND POWERS

The purposes for which the Cooperative is formed are:

A. To generate, manufacture, purchase, acquire and accumulate electric energy and to transmit, distribute, furnish, sell and dispose of such electric energy, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;

B. To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;

C. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property, or any interest therein, deemed necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes.

D. To assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

E. To borrow money, to make and issue bonds, notes, and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any other objects or purposes of the Cooperative; to secure the payment of such bonds, notes, or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges, or permits of the Cooperative, wheresoever situated, acquired, or to be acquired.

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

G. To construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and communication, telecommunications, engineering, computer, master billings, centralized printing, land and industrial development, group purchasing, inventory control, telephone, water supply, waste management, television and/or transmission and distribution lines or systems, as may be necessary, convenient or useful to carry out and accomplish any or all of the foregoing purposes. The Cooperative may do and perform any and all acts and things, and have and exercise any and all powers, as may be necessary, convenient or useful to carry out and accomplish any or all of the foregoing purposes as set forth in this article and in this section, or as may be permitted by the provisions of the law under which the Cooperative is formed; and to exercise any of its power anywhere.

ARTICLE III

DURATION

The corporate life of this Cooperative shall begin January 1, 2004, and shall be perpetual, unless changed by an amendment to these Articles of Incorporation or terminated by dissolution.

ARTICLE IV

NONPROFIT OPERATION

This corporation shall be operated on a nonprofit basis as a cooperative, and the value of the business done with nonmembers shall not exceed that done with members.

ARTICLE V

MEMBERSHIP

Section 1. 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) applying for membership in the cooperative and executing a membership application; (b) agreeing to take, receive, and pay for electric utility service furnished by the Cooperative as hereinafter in Section 3 of this Article specified; and (c) agreeing to comply with and to be bound by these Articles of Incorporation, the Bylaws of the Cooperative, 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 individual, except an individual accepted for membership by the members at any meetings hereof or becoming a member by virtue of the consolidation which created Southwest Iowa Rural Electric Cooperative, shall become a member of the Cooperative unless and until accepted for membership by the affirmative vote of not less than a majority of the members of the Board of Directors. Applications for membership may be rejected for just cause.

Section 2. The Cooperative shall have no capital stock, but membership in the Cooperative shall be evidenced by a certificate of membership. No certificate of membership in the Cooperative shall be issued until the membership application has been executed; except members of the two consolidating cooperatives as of the effective date of the consolidation shall, without any action on their part, become members of the Cooperative and upon their request, the Cooperative will issue a membership certificate unto them. Any membership fee previously paid by said members shall either be refunded or applied to their account with the cooperative. Membership in the Cooperative shall not be transferrable.

Section 3. Each member of the Cooperative 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 of the Cooperative and shall pay therefor and for all additional electric energy used by such member, the price which shall, from time to time, be fixed therefor by resolution of the Board of Directors. Each member shall also pay all obligations which may, from time to time, become due and payable by such member to 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. 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 responsible for any debts or liabilities of the Cooperative.

Section 5. No member of the Cooperative may own more than one membership and each member holding a membership certificate shall be entitled to one vote and no more at all meetings of the members of the Cooperative. If two individuals hold a joint membership together, they shall be jointly entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. The vote of each member of the Cooperative shall be cast in person and not by proxy, provided, that an absent member may cast his written vote upon any proposition of which he has been previously notified in writing if the Board of Directors has authorized voting by mail prior to the meeting at which the vote is to be cast.

Section 6. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of the members of the Board of Directors, expel any member of the Cooperative, who shall have willfully violated or refused to comply with any of the provisions

of these Articles of Incorporation or the Bylaws of the Cooperative, or any rules or regulations promulgated by the Board of Directors, or who shall have ceased to be eligible to membership in the Cooperative, or who shall have failed to pay any debt or obligation to the Cooperative when the same shall have become due and payable.

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 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. In the case of termination of the membership due to voluntary cessation of utilizing the Cooperative's services, a member shall not be entitled to repayment of his membership fee, if any. In cases of expulsion of a member, the Cooperative shall pay him an amount equal to the membership fee paid by him, if any, within sixty (60) days after such expulsion. In cases of the death of a member, payment of such value shall be made to the personal representative of such deceased member within two (2) years after his death. In case of ineligibility, payment of such value shall be made to the member who has become ineligible within two (2) years after the date of ineligibility. Interest shall not, in any case, be paid upon the value of the membership. 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 subdivisions (a) 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.

Section 8. Any member of the Cooperative may withdraw from membership upon payment in full of all debts and obligations to the Cooperative, and upon compliance with and performance of all contracts with the Cooperative. Upon such withdrawal, the member so withdrawing shall be entitled to receive, and the Cooperative shall pay to him, the value of his membership as shown by the books on the date of such withdrawal, if any, but not more than the original issuing price of said membership. In the event a membership is terminated for any reason, a former member's rights and interests in the assets of the Cooperative will not be forfeited.

ARTICLE VI

MEETINGS

Section 1. The first regular annual Meeting of Members of the Cooperative shall be held in 2005 on a date to be determined by the Board of Directors. Thereafter, Annual Meetings of Members of the Cooperative shall be held at such times and at such place as shall be determined by the Board of Directors.

Section 2. The directors may call Special Meetings of Members and shall do so upon written demand of at least twenty percent (20%) of the members.

Section 3. Regular Annual Meetings and Special Meetings of the Members shall be held at such places as may be fixed in the Bylaws, and specified in the Notice of such meetings.

ARTICLE VII

MANAGEMENT

Section 1. The business and affairs of the Cooperative shall be managed by a Board of Directors initially consisting of the following individuals, who are the present directors of the two cooperatives which consolidated to form Southwest Iowa Rural Electric Cooperative, and who shall also serve as the incorporators of Southwest Iowa Rural Electric Cooperative:

<u>NAME</u>	<u>ADDRESS</u>	<u>OCCUPATION</u>
Carroll Baker	2011 Vail Ave., Clearfield, IA 50840-8011	Farmer
Dale Walkup	RR1, Box 51, Redding, IA 50860-9731	Farmer
Richard Mickelson	RR1, Box 191, Lamoni, IA 50140-9575	Farmer
Roger Baker	1596 250th Street, Creston, IA 50801-8201	Farmer
Ronald Green	RR1, Box 30, Lamoni, IA 50140-9514	Farmer
Jack Stephens	RR2, Box 7, Diagonal, IA 50845-9605	Program Technician
Alan Taylor	RR2, Box 91B, Mount Ayr, IA 50854-9584	Farmer
Frederick Weis	2226 Pheasant Ave., Afton, IA 50830-8196	Farmer
Marilyn Werner	RR1, Box 86, Shannon City, IA 50861-9750	Administrator
Marvin Focht	1711 T Ave., Villisca, IA 50864-9457	Farmer
Franklin Walter	1101 U.S. Hwy. 34, Nodaway, IA 50587-7536	Farmer
Ronald Hartstack	2689 K Ave., Red Oak, IA 51566-9458	Farmer
Stan Peterman	1232 V Ave., Villisca, IA 50864-9423	Farmer
C. Larry Carmichael	2678 Kentucky Ave., Corning, IA 50841-8024	Farmer
Larry Heuer	2330 D Ave., Red Oak, IA 51566	Farmer
Dwight Lewis	109 W. 1st Street, Villisca, IA 50864-9205	Farmer
Delaine Lundgren	1732 L. Ave., Clarinda, IA 51632-9758	Farmer
Dennis Meier	2545 120th St., Villisca, IA 50864-8509	Farmer
Glen Roberts	1923 125th St., Corning, IA 50841-8348	Farmer

Subject to the right of members to remove a director, the initial directors shall serve, and any vacancies on the Board of Directors may be filled as set out in the Plan of Consolidation for Southwest Iowa Rural Electric Cooperative, until the Annual Meeting of Members to be held in 2006. After the Annual Meeting of Members to be held in 2006, the business and affairs of the

Cooperative shall be managed by a Board of Directors consisting of ten (10) directors.

Section 2. There shall be two (2) geographic Regions for the Cooperative, each of which shall be divided into four (4) Districts, and, commencing with the Annual Meeting of Members to be held in 2006, election of directors shall be by such Districts, with one director representing each District. In addition, two at-large directors will be elected, one from each Region. Directors shall reside in and receive service from the cooperative at a location within the district (or Region in the case of the at-large directors) they are elected to represent. The geographic area of each Region shall initially be as set forth in the Plan of Consolidation for Southwest Iowa Rural Electric Cooperative, and revised as necessary by the Board of Directors. The district boundaries shall be described in the Bylaws of the Cooperative and shown on a map of the cooperative service area, with such description and map maintained at all offices of the Cooperative and kept available to members.

Candidates for election to the Board of Directors shall be nominated by a Nominating Committee, which Committee shall be elected by the Board of Directors. Said Nominating Committee shall consist of no less than three nor more than ten members.

Any twenty (20) or more members may make other nominations in writing over their signatures not less than thirty (30) days prior to the meeting at which directors are to be elected, and the Secretary shall post the same at the same place where the list of nominations by the Committee is posted; such nominations so made by such members to be subject to the same service requirements as nominations by the Nominating Committee heretofore prescribed.

The election of the directors shall be by ballot, and each voting member shall be entitled to cast one vote for each director to be elected from the member's Region. Members may vote by mail-in ballot, to the extent that the same is consistent with the Bylaws of the Cooperative. The

election of directors shall be subject to ratification by a majority of all members present at the Annual Meeting of Members, and directors elected shall qualify and take office immediately following the Annual Meeting of Members.

Section 3. At the Annual Meeting of Members to be held in 2006, an election will be conducted for the purpose of electing ten (10) directors, five (5) from Region I and five (5) from Region II. One (1) director will be elected from each District and the directors must reside in and receive service from the cooperative at a location within the District which they represent. In addition, two at-large directors will be elected, one from each Region. The at-large directors must reside in and receive service from the cooperative at a location within the Region which they represent. Directors from Districts 1, 3, 5, and 7 shall be elected to serve three (3) year terms; directors from Districts 2 and 6, and the at-large director from Region I shall be elected to serve two (2) year terms; and directors from Districts 4 and 8, and the at-large director Region II shall be elected to serve one (1) year terms. From and after the Annual Meeting of Members to be held in 2006, the Cooperative shall be managed by a Board consisting of ten (10) directors, one from each District and two at-large. Beginning with the Annual Meeting of Members to be held in 2007, a number of directors equal to the number of directors whose terms expire shall be elected to a term of three (3) years, or until their successors are elected and qualified.

Subject to the provisions of Section 4 of this Article, vacancies on the Board of Directors which occur after the Annual Meeting of Members to be held in 2006 may be filled by a majority vote of the remaining directors. The director so elected shall serve the remainder of the term.

Section 4. At any Regular Meeting of Members, or any meeting called for that purpose, where proper notice to all members has been given, any officer may be removed by vote of a majority of the members of the Cooperative who are represented at the meeting in person or by

mailed ballot. At any Regular Meeting of Members, or any meeting called for that purpose, where proper notice to all members has been given, any director may be removed by vote of a majority of all members in the director's district (or Region in the event of an at-large director). Any vacancy in the Board of Directors, pursuant to this Section 4, may be filled at the same meeting at which such vacancy is created and the director so elected shall hold office until the expiration of the term and until his successor shall have been elected and qualified. In case of the failure to fill such vacancy at such meeting, the Board of Directors may fill the vacancy at any subsequent meeting of the Board of Directors in the manner and for the term specified in Section 3 of this Article VII.

Section 5. Any member may bring charges against a director by filing them in writing with the Secretary of the Cooperative, together with a petition signed by twenty percent (20%) of the members, requesting the removal of the director in question. The removal shall be voted upon at the next regular meeting or special meeting of the members and, by a vote of a majority of all voting members of the Cooperative, the director may be removed and the vacancy may be filled by the members. The director against whom such charges have been brought shall be informed in writing of the charges prior 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.

ARTICLE VIII

DISTRIBUTION OF EARNINGS

Section 1. No dividends or interest shall be paid upon issuing price of membership in this Cooperative. The directors shall annually dispose of the earnings of the Cooperative in excess of its operating expenses as follows:

- A. To provide a reasonable reserve for depreciation, obsolescence, bad debts, or contingent losses or expenses.
- B. At least ten percent (10%) of the remaining earnings must be added to surplus until surplus equals either thirty percent (30%) of the total of all capital paid in for stock or memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from nonmember business, and earnings arising from the earnings from other cooperative organizations of which the Cooperative is a member, or one thousand dollars (\$1,000.00), whichever is greater. No additions shall be made to surplus when it exceeds either fifty percent (50%) of the total or one thousand dollars (\$1,000.00), whichever is greater.
- C. All remaining net earnings shall be allocated to a revolving fund and shall be credited to the account of each member ratably in proportion to the business he has done with the Cooperative during each year. Such credits are herein referred to as "deferred patronage dividends."
- D. The directors shall determine the percentage or the amount of said allocation that currently shall be paid in cash. All said remaining allocation not so paid in cash shall be transferred to a revolving fund and credited to said members.

Section 2. The members may, at any meeting, control the amount to be allocated to the surplus fund within the limits specified in Section 1 of this Article VIII.

Section 3. The directors may use the revolving fund to pay the obligations or add to the capital of the Cooperative. In such event, the deferred patronage dividends credited to members shall constitute a charge upon the revolving fund and future additions thereto, and on the corporate assets subordinate to creditors then or thereafter existing. Deferred patronage dividends for any year shall have priority over those for any subsequent year, except that the directors may, at their discretion, pay deferred patronage dividends of deceased members who were natural persons and all other patronage dividends, without reference to the order of priority herein prescribed, and except as in Article IX of these Articles of Incorporation provided. The payment of dividends owing to deceased natural persons who are members or patrons shall be made upon such terms and conditions as the Board of Directors, acting under policies of general

application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Association will not be impaired thereby.

Section 4. The Cooperative may issue certificates for deferred patronage dividends, which certificates may be transferable or non-transferable as the Board of Directors may, from time to time, determine.

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

ARTICLE IX

SALE OF ASSETS

Section 1. The Cooperative may not sell, lease or otherwise dispose of any of its property other than:

(a) property which, in the judgment of the Board of Directors is, or will be, neither necessary or useful in operating and maintaining the Cooperative's system; provided, however, that sales of such property shall not in any one year exceed ten percent (10%) in value of the value of all of the property of the Cooperative;

(b) services of all kinds, including electric energy;

(c) personal property acquired for resale; and

(d) merchandise;

unless such sale, lease or other disposition is authorized by a majority vote of the members at a meeting thereof and the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors, without the consent or vote of the members of the Cooperative

or any part thereof, shall have full power and authority to borrow money from the United States of America, the National Rural Utilities Cooperative Finance Corporation, or any other agency of the United States of America, or any other lender, and to authorize the making and issuance of bonds, notes or other evidence of indebtedness, secured or unsecured, for money so borrowed and to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon or the pledge of or other lien upon all or any of the property, assets, rights, privileges and permits of the Cooperative wherever situated, acquired or to be acquired, upon such terms and conditions as the Board of Directors shall determine.

Section 2. A sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Cooperative, with or without the good will, if not made in the usual and regular course of business, may be made upon 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 the statutes of the State of Iowa, as long as such sale, lease, exchange or other disposition is authorized in the following manner:

A. The Board of Directors of the Cooperative 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 be either an annual meeting or special meeting.

B. Written or printed notice of the proposal shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided by these Articles of Incorporation for the giving of notice of meetings of members and whether the meeting be an annual meeting or 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.

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 and all of the terms and conditions thereof and the consideration to be received by the Cooperative. Such authorization shall be approved if two-thirds of the members vote affirmatively on a ballot on which a majority of all voting members of the Cooperative participate.

D. After the authorization by the vote of members, the Board or Directors of the Cooperative may nevertheless in its discretion 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.

Section 3. Gains from the sale of appreciated assets shall be distributed to all persons who were members during the period which the asset was owned by the Cooperative in proportion to the amount of business done by such members during that period, insofar as is practicable.

ARTICLE X

DISSOLUTION OR LIQUIDATION

Upon dissolution or liquidation, the assets of the Cooperative shall be applied, first, to pay liquidation expenses, and next, to pay obligations of the Cooperative other than patronage dividends or certificates issued therefor. The remainder of such assets shall be distributed in the following manner and order of priority:

(a) payment of any deferred patronage dividends or certificate issued therefor, and if the assets are insufficient to pay all such patronage dividends or certificates issued therefor, they shall be prorated to the payment of all such deferred patronage dividends or certificates issued

therefor;

(b) payment to members of the membership fee paid by them; and

(c) The remaining assets will be distributed to members and former members in direct proportion to the amount of their patronage with the Cooperative, insofar as practicable.

ARTICLE XI

BYLAWS

The directors, by vote of seventy-five percent (75%) of the directors, may adopt, alter, amend, or repeal Bylaws 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, provided the notice of any such meeting contains a copy of the proposed alteration, amendment, or repeal.

ARTICLE XII

LIMITATION OF LIABILITY AND INDEMNIFICATION

Except as otherwise provided by Iowa law, a director, officer, employee, or member of the Cooperative is not liable on the debts or obligations of the Cooperative, and a director, officer, member or other volunteer is not personally liable in that capacity for a claim based upon an act or omission of the person's duties, except for a breach of duty of loyalty to the Cooperative for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

The Cooperative may indemnify any present or former director, officer, employee, member or volunteer in the manner and in the instances authorized in Code of Iowa §499.59A (1997).

ARTICLE XIII

CLAIM OR DISPUTE

The Cooperative shall attempt to resolve any claim or dispute which may arise between the Cooperative and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Cooperative shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) these Articles of Incorporation; (4) the Cooperative's bylaws, policies, practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Cooperative's resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and when appropriate, the applicable regulatory body with jurisdiction over the Cooperative and the matter.

All other claims and disputes shall, at the request of either the Cooperative or the member, former member, or customer who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such shall, at the request of either the Cooperative or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Cooperative. In absence of such policies, or in the event such policies are incomplete, the provisions of

Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Cooperative.

Notwithstanding the foregoing, the Cooperative reserves the right to pursue collection of a debt owed by any member, former member, or customer who has received electric service through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in this Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Cooperative. The Bylaws and these Articles of Incorporation constitute an agreement between the Cooperative and the members.

ARTICLE XIV

AMENDMENTS

The Cooperative may amend, alter, change, or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.