

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
IOWA LAKES ELECTRIC COOPERATIVE

These Amended and Restated Articles of Incorporation are being filed to consolidate all prior amendments into a single document. The amendments included in these Restated Articles of Incorporation were approved by the Cooperative's members in the manner required by Chapter 499.41 of the Code of Iowa and the Cooperatives articles of incorporation as in effect prior to the date hereof and were all previously filed with the Secretary of State. No new amendments are reflected in this document.

Iowa Lakes Electric Cooperative is incorporated under the provisions of Iowa Code Chapter 499, and it shall have all of the powers, rights, and privileges granted to, and all of the duties and obligations imposed upon, incorporated cooperative associations by said Chapter, and, for such purpose, has adopted Articles of Incorporation, which were previously described in Articles of Merger, and which are now restated and amended to read as set forth herein.

Article I

The name of the Association shall be IOWA LAKES ELECTRIC COOPERATIVE. The principal office of the Association shall be located in Estherville, in the County of Emmet, State of Iowa.

Article II

The purposes for which the Association is formed are:

1. To furnish electric service to its members at the low cost consistent with the proper maintenance of its electric distribution lines and other facilities;
2. To construct, erect, purchase, lease as lessee and in any manner, acquire, own, hold, maintain, operate, sell, dispose of, lease as lesser, exchange and mortgage plants, buildings, works, electric distribution substation, 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 necessary, convenient or useful for carrying out and accomplishing any 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 or convenient to 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 laws under which the association is formed; and to exercise any of its power anywhere.

3. To purchase, lease, or acquire in any manner and to own, hold, use, sell, mortgage, or dispose of any real estate or personal property, or any interest therein, deemed necessary, convenient, or appropriate to the purposes and uses of this Association;

4. To acquire, own, hold, use, and exercise, and, to the extent permitted by law, to sell, pledge, hypothecate, and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way, and easements appropriate, convenient, or necessary to the purposes of the Association;

5. To borrow money, to make and issue bonds, notes, and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Association; 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 Association, wheresoever situated, acquired, or to be acquired;

6. To contract for purchase of electric power and energy from Generation and Transmission Electric Cooperatives in such manner as shall be deemed to the best interest of the Cooperative; and,

7. To do and perform any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by the provisions of the laws under which the Association is formed; and to exercise any of its power anywhere.

Article III

Prior to the Annual meeting of members to be held in 1990, the affairs of the Cooperative shall be managed by a board of directors which will initially consist of thirty-three (33) directors.

Article IV

The corporate life of this Cooperative shall begin April 1, 1989, and shall be perpetual, unless changed by an amendment to these Articles or terminated by dissolution.

Article V

This Corporation shall be operated a non-profit basis as a Cooperative, and the value of the business done with non-members shall not exceed that done with members.

Article VI

Section 1. Any individual, in addition to the incorporators, acting for himself or herself 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) agreeing to take, receive, and pay for electric utility service furnished by the Cooperative as hereinafter in Section 3 of this Article specified; and (b) 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 the incorporators of the Cooperative, or any individual accepted for membership by the undersigned incorporators or the members at any meetings hereof, shall become a member in the Cooperative unless and until accepted for membership by the affirmative vote of not less than two-thirds of the members of the Board of Directors. Applications for membership may be rejected only for just cause. Any other Cooperative formed under Chapter 499 of The Code of 1987 of the State of Iowa, as amended, and engaged in any activity directly or indirectly related to any activity in which the Cooperative is engaged, is also eligible to membership, subject to the provisions of this Section.

Section 2. The Cooperative shall have no capital stock, but membership in the Cooperative shall be evidenced by a certificate of membership. Membership in the Cooperative shall not be transferable.

Section 3. Each member of the Cooperative shall receive service from the Cooperative under the terms and conditions prescribed by resolution of the Board of Directors of the Cooperative and shall pay therefor 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 this 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. No member of the Cooperative may own more than one membership and each member shall be entitled to one vote and no more at all meetings of the members of the Cooperative. The vote of each member of the Cooperative shall be cast by such member and not by proxy, provided that members may cast their vote upon any proposition of which the member has been previously notified in writing, in person, by mail or other electronic means as approved by the Board of Directors in advance of said meeting. Any mail vote or electronic vote must be received from the member by the Cooperative at the headquarters office of the Cooperative or such other location as designated by the Board of Directors, before 4:00 p.m. local time, on the last business day prior to the day of the meeting at which the election or vote will be held. Such voting shall be completed in accordance with such policies and procedures as may be adopted

from time to time by the Board of Directors to promote the orderly, secure and accurate voting and tabulation of ballots sent and received by mail or electronic means.

Section 5. 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, including the under signed incorporators, 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 6. If a member dies or becomes ineligible, or is expelled, his membership shall forthwith be cancelled.

Section 7. 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.

Section 8. The death, expulsion, or withdrawal of a member of the Cooperative shall not impair the member's debts, obligations, or liabilities to the Cooperative.

Article VII

Section 1. Annual meetings of the members of the Cooperative shall be held at such times and places as shall be determined by the Board of Directors. All meetings shall be held at such locations within the Cooperative geographical service area as may be determined from time to time by the Board of Directors and specified in the notice of the meeting. In such circumstances where an in-person meeting cannot be reasonably accommodated, the essential business of the meeting may be conducted by mail voting or an electronic or virtual meeting may be conducted, provided all participating members have the ability to hear one another or otherwise have the ability to provide input.

Section 2. The directors may call special meetings of members and shall do so upon written demand of at least twenty per centum (20%) of the members.

Article VIII

Section 1. The business and affairs of the Cooperative shall be managed by a Board of Directors.

Section 2. There shall be four (4) numbered geographical districts of the Cooperative, and commencing with the annual meeting to be held in 1990, election of directors shall be by such districts, with four (4) directors representing Districts I and II and three (3) directors representing Districts III and IV. The geographic areas of each district shall be established and revised as necessary by the board of directors in such manner that the ratio of directors to members in each district shall be approximately the same. The district boundaries shall be described and shown on a map of the Cooperative service area, and said description and map shall be maintained as official records of the Cooperative.

Section 3. At the annual meeting of members to be held in 1990, an election will be conducted for the purpose of electing fourteen (14) directors, and the affairs of the Cooperative shall thereafter be managed by a board consisting of fourteen (14) directors, four (4) from Districts I and II and three (3) from Districts III and IV. At said meeting one (1) director from each district shall be elected for a term of one (1) year; one (1) director from each district shall be elected for a term of two (2) years, and one (1) director from each district shall be elected for a term of three (3) years, and one (1) director each from Districts I and II shall be elected for a term of four (4) years, or until their successors are elected and qualified. Thereafter, at such annual meeting of members, a number of directors equal to the number of directors whose terms expire shall be elected to a term of four (4) years, or until their successors are elected and qualified.

Vacancies on the board of directors which occur after the annual meeting of members to be held in 1990 shall be filled by majority vote of the remaining directors from among members who reside in the district from which the vacancy was created. The director so elected shall serve the remainder of the term of the director creating the vacancy.

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 or director may be removed by vote of a majority of the members of the association voting. Any vacancy in the Board of Directors, pursuant to Section 4, may be filled at the same meeting at which such vacancy is created and the director so selected 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 in the manner and for the term specified in Section 3 of this Article VIII.

Section 5. The Bylaws of Iowa Lakes Electric Cooperative may provide additional Director qualifications not in conflict with law or these Articles of Merger.

Article IX

Section 1. The directors shall annually dispose of the earnings of the Cooperative in excess of its operating expenses as provided in Section 499.30, Code of Iowa (2020), as amended:

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

(b) at least 10% of the remaining earnings must be added to surplus until surplus equals either 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 non-member business, and earnings arising from the earnings of other cooperative organizations of which the Cooperative is a member; or \$1,000, whichever is greater. No addition shall be made to surplus when it exceeds either 50% of the total or \$1,000, whichever is greater without approval of the membership by a majority of votes cast.

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

(d) 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";

(e) the directors shall determine the percentage of 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 and subscribers.

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

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 years 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 may pay all other deferred patronage dividends without reference to the order of priority herein prescribed, and except as in Article X of these Articles of Incorporation provided.

Section 4. The Cooperative may issue certificates for deferred patronage dividends, which certificates may be transferable or nontransferable 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 IX 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 IX.

Article X

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

Article XI

The directors, by a 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.

Article XII

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

Article XIII

Section 1. 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 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 Merger for the giving of notice of meetings of members and whether the meeting be an annual 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 this 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 this 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 of 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.

Article XIV

Except as otherwise provided by Iowa law, a director, officer; employee, or member of the cooperative is not liable on the debts or obligations, 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 performed in the discharge of the person's duties, except for a breach of the 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 Iowa Code Section 499.59A, as amended.

Article XV

No member shall sell, assign, transfer, dispose of or encumber any share of any patronage dividends or certificates of deferred patronage dividends, except pursuant to such policies as may be approved by the Board of Directors of the Cooperative.

ARTICLE XVI

The Cooperative shall attempt to resolve any claim or dispute which may arise between the Cooperative and a member 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 Merger; (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 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, 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, 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 Chapter 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 or former member through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts.

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 Merger constitute an agreement between the Cooperative and the members.

IN WITNESS WHEREOF, Iowa Lakes Electric Cooperative has caused these Restated Articles of Incorporation to be executed by an authorized officer, this 20th day of May, 2021.

IOWA LAKES ELECTRIC COOPERATIVE

By: Jerry Beck, Board Chair