

BYLAWS
OF
RACCOON VALLEY ELECTRIC COOPERATIVE

Adopted to be Effective January 1, 2010

The aim of Raccoon Valley Electric Cooperative (hereinafter called the "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

ARTICLE I

MEMBERS

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

Section 2. Members. All service lines and all meters, switches and other appliances and equipment constructed or installed by the Cooperative in or on the property of any member, except so much thereof, if any, as shall be paid for by the member, shall at all times be the property of the Cooperative, and the cooperative shall have the right and privilege to enter upon the premises of any member to repair or service the same, and upon the discontinuance of the service for any reason, to remove the same.

Section 3. Joint Memberships. A husband and wife may apply for a joint membership, and subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "Member" as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of such membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a waiver of notice of both of the meeting.
- (b) The vote of either separately or both jointly shall constitute one vote.
- (c) A waiver of notice signed by either or both shall constitute a joint waiver.
- (d) Notice to either shall constitute notice to both.
- (e) Expulsion of either shall terminate the joint membership.
- (f) Withdrawal of either shall terminate the joint membership.

- (g) Either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.
- (h) 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 not be released from any debts owed to the Cooperative.

Section 4. Membership by Other Than Persons. If an association, corporation, partnership, or organization complies with the Articles of Incorporation, such entity may have a membership in the Cooperative. The holders of such membership shall be bound by the following rules:

- (a) The membership shall only be entitled to one vote.
- (b) Waiver of notice signed by an officer or partner on behalf of the member shall constitute a waiver of notice of the membership.
- (c) Notice to a partner or an officer of the entity on behalf of the member shall constitute notice to the member.
- (d) A partner or designated officer of an association, corporation, partnership or organization may be elected to office, provided that such person otherwise meets the qualification for such office.

Section 5. Transfer and Termination of Membership.

- (a) Membership in the Cooperative and a Certificate of Membership representing the same shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate, and the Certificate of Membership of such member shall be surrendered forthwith to the Cooperative. Any termination of membership for any reason shall not release the member from the debts or liabilities of such member to the Cooperative.
- (b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of these

Bylaws and the Articles of Incorporation of the Cooperative. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original Membership Certificate representing the membership so transferred.

- (c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint Membership Certificate may be surrendered by the survivor, and upon the recording of such death on the books of the Cooperative, the Membership Certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership, debt or liabilities to the Cooperative.

ARTICLE II

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first regular Annual Meeting of the Members of the Cooperative shall be held in 2010 on a date to be determined by resolution of the Board of Directors. Thereafter, the Annual Meetings of Members of the Cooperative shall be held at such times and places as shall be determined by the Board of Directors. All Annual Meetings shall be held at such locations as may be determined from time to time by the Board of Directors and specified in the Notice of the meeting.

Section 2. Special Meetings. Special Meetings of the membership may be called by the Board of Directors, and the Board shall do so upon written demand of at least twenty percent (20%) of the members. Any demand for a special meeting by membership shall be in writing, signed by the members making the demand, and be addressed and delivered to the Secretary of the Cooperative. All Special Meetings shall be held at such locations as may be determined from time to time by the Board of Directors and specified in the Notice of the meeting.

Section 3. Notice. Each member shall be entitled to receive ten (10) days' written notice of the time and place of all meetings and of the purpose of all special meetings. Such notice shall be given to the member in person or by mail directed to the member's address as shown on the books of the Cooperative. If mailed, such notice shall be deemed delivered when deposited in the United States Mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. Any member may waive, in writing, notice of any Meeting of the Members. Meetings of the Members of the Cooperative may be held at any location permitted by the laws of the State of Iowa.

Section 4. Failure to Receive Notice. The failure of any member to receive notice of an Annual Meeting or Special Meeting of the members shall not invalidate any action which may be taken by the members at any such Annual Meeting or Special Meeting.

Section 5. Quorum. Ten percent (10%) or more of the members present in person or represented by mail ballots shall constitute a quorum necessary for the transaction of business at any Annual Meeting or Special Meeting of the membership; provided, however, that so long as the total number of members of the Cooperative shall exceed five hundred (500) then fifty (50) or more members present in person shall be sufficient to constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

Section 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 and no more upon each matter submitted to a vote at a meeting of the membership. Voting by proxy and cumulative voting shall not be permitted. If two or more persons hold one membership certificate in partnership, joint tenancy, or otherwise, the vote of such membership may be cast by any one of such persons, or as otherwise directed by the Board of Directors. A member absent from any meeting may submit a mail vote on any motion, resolution, or amendment 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 on a ballot containing the exact text of the proposed motion, resolution, or amendment by depositing such ballot in the United States Mail, addressed to the Secretary at the business office of the Cooperative not later than five (5) days prior to the day of the meeting at which the vote is to be taken. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members present in person or represented by mail vote except as otherwise provided by law, the Articles of Incorporation of the Cooperative or these Bylaws.

Section 7. Order of Business. The order of business at the Regular Annual Meeting of the members of the Cooperative and, so far as possible at all other meetings of the members of the Cooperative, shall be as follows:

- (1) Roll call.
- (2) Reading of the Notice of the meeting together with the proof of due giving thereof or the waiver or waivers of notice of such meeting.
- (3) Presentation and reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of, and acting upon reports of officers, directors and committees.

- (5) Election of directors.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

Section 8. Rules of Order. Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws, and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE III

DIRECTORS

Section 1. Number and Qualifications. The business and affairs of the Cooperative shall be managed by a Board of Directors initially consisting of fourteen (14) individuals, who shall also serve as the incorporators of Raccoon Valley Electric Cooperative, and who presently constitute the members of the Boards of Directors of the cooperatives which consolidated to form Raccoon Valley Electric Cooperative.

Section 2. Districts. The service area of the Cooperative shall be divided into seven (7) Districts. A map and a description of the geographic Districts shall be maintained by the Cooperative and shall be provided to the members. The Board of Directors shall have authority to modify the District boundaries if necessary so that each District will encompass an approximately equal number of members. The initial District Boundaries shall be generally described as follows:

- District 1. All of Newton and Union Townships in Carroll County; Sections 4-9, 16-21, and 28-33 in Willow Township in Greene County; Sections 1-5, 8-12, 13-17, 21-22, 24-25, and 27-28 in Cameron Township in Audubon County; Sections 1-27, 29-30, and 34-36 in Viola Township in Audubon County; Sections 1, 5-8, 17-18, 19-20, and 30 in Orange Township in Guthrie County; and Sections 4-6 in Highland Township in Guthrie County.

- District 2. Sections 21-23, 26-29, 32-36 in Maple River Township; Sections 21, 28, and 31-33 in Grant Township; Sections 1-5, 8-17, 20-29, and 32-36 in Roselle Township; all of Pleasant Valley Township; and Sections 1-5, 8-17, 19-29, and 32-36 in Eden Township, all in Carroll County.
- District 3. Sections 1-17, 22-27, and 34-36 in Grant Township, Carroll County; Section 25-36 in Jasper Township, Carroll County; all of Glidden and Richland Townships in Carroll County; Sections 5-8, 17-20, and 30 in Kendrick Township, Greene County; Sections 6-7, 18-21, and 28-33 in Scranton Township, Greene County; and Section 30-31 in Cedar Township, Greene County.
- District 4. Sections 1 and 12 in Wheatland Township, Carroll County; Sections 1-16 in Maple River Township in Carroll County; Sections 13-25, 27-34, and 36 in Kniest Township in Carroll County; all of Sheridan Township in Carroll County; Sections 1-24 in Jasper Township, Carroll County; Sections 32-36 in Calhoun Township, Calhoun County; and Sections 6-7 and 18-19 in Cedar Township, Greene County.
- District 5. Sections 1-15 and 23-26 in Wall Lake Township, Sac County; Sections 4-9, 17, 19-20, and 28-36 in Coon Valley Township, Sac County; Sections 1-6, 8-17, 20-29, and 33-36 in Levey Township, Sac County; Sections 6, 10-11, 13-15, and 19-36 in Viola Township, Sac County; Sections 1-5, 8-17, and 19-36 in Sac Township, Sac County; Sections 17-21 and 28-36 in Jackson Township, Calhoun County; Sections 1-30 and 34-36 in Wheatland Township, Carroll County; Sections 1-12 in Kniest Township, Carroll County, Iowa; and Sections 1-3 in Jackson Township in Crawford County.
- District 6. All of Cook and Boyer Valley Townships in Sac County; Sections 1-12, 14-19, 25-29, and 31-36 in Jackson Township, Sac County; Sections 3-11, 14-22, and 28-33 in Cedar Township, Sac County; Sections 1-13, 17-20, and 24 in Richland Township, Sac County; Section 1-2, 4-23, and 29-36 in Clinton Township, Sac County; Sections 1, 12, 24-25, and 36 in Silver Creek Township, Ida County; and Sections 12-13, and 24 in Blaine Township, Ida County.
- District 7. Sections 1-25, 27-29, and 32-36 in Eureka Township, Sac County, Iowa; Sections 31-36 in Maple Valley Township, Buena Vista County; Sections 13 and 24 in Galva Township, Ida County; Sections 1-29 and 32-36 in Eden Township, Sac County; Sections 31 and 35-36 in Hayes Township in Buena Vista County; all of Delaware Township, Sac County; Sections 31-

36 in Providence Township, Buena Vista County; all of Douglas Township, Sac County; Sections 31-36 in Newell Township, Buena Vista County; and Sections 6-7, 19, and 31 in Williams Township, Calhoun County.

The initial directors shall each be assigned to the District in which they reside and shall serve until the first Annual Meeting when an election of directors for the District they have been assigned is to be held (either 2010, 2011, or 2012 as set forth below), unless they sooner resign, retire or become ineligible to continue to serve as directors. Vacancies on the Board of Directors created by directors who resign, retire, or become ineligible prior to the Annual Meeting of Members to be held in 2010 shall not be filled, unless the vacancy would result in a District being unrepresented, or unless the Board of Directors should determine that filling any such vacancy would be in the best interest of the Consolidated Cooperative. In any of said events, the vacancy shall be filled by the majority vote of the Board of Directors, with the new director being selected from among members residing and receiving service at a location in the District from which the vacancy was created.

Section 3. Director Elections. At the Annual Meeting of Members to be held in 2010, an election will be conducted for the purpose of electing one (1) director from District 1 and one (1) director from District 6. At the Annual Meeting of Members to be held in 2011, an election will be conducted for the purpose of electing one (1) director from District 4 and one (1) director from District 7. At the Annual Meeting of Members to be held in 2012, an election will be conducted for the purpose of electing one (1) director from District 2, one director from District 3, and one (1) director from District 5. The directors must reside in and receive service from the cooperative at a location within the District which they represent. Directors shall be elected to serve three (3) year terms. From and after the Annual Meeting of Members to be held in 2012, the Cooperative shall be managed by a Board consisting of seven (7) directors, one from each District. Beginning with the Annual Meeting of Members to be held in 2013, 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 2012 may be filled by a majority vote of the remaining directors. The director so elected shall serve the remainder of the term.

Any member of the Cooperative shall be eligible to become a director if said member has a legal capacity to enter into a binding contract and said member's election as a director would not violate any other provision of these Bylaws or the Articles of Incorporation of the Cooperative.

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 four (4) nor more than eight (8) members.

Any twenty (20) or more members may make other nominations in writing over their signatures not less than fifteen (15) 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 directors shall be by ballot, and each voting member shall be entitled to cast one vote for each director to be elected. To the extent the same is specifically authorized by the Board of Directors, members may vote by mail-in ballot. 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 4. Removal of Directors. 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.

Section 5. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with the Articles of Incorporation of the Cooperative or these Bylaws or the laws of the State of Iowa, as it may deem advisable for the management, administration and regulation of the business affairs of the Cooperative.

Section 6. 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 of the State of Iowa and the rules and regulations of any regulatory body thereof, shall conform to such accounting system as may, from time to time, be designated by the Administrator of the Rural Utilities Service. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following Annual Meeting.

ARTICLE IV

MEETINGS OF DIRECTORS

Section 1. Annual Meeting. An Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of the Members for the purpose of the election of officers of the Cooperative for the ensuing year, and to transact such other business as may properly come before the meeting.

Section 2. Regular Monthly Meetings. A Regular Meeting of the Board of Directors shall be held on a monthly basis. Notice of the date, time, and place of the Regular Meeting shall be given as directed by the Board of Directors.

Section 3. Special Meetings. A Special Meeting of the Board of Directors shall be held whenever called by the President or any three (3) directors. Forty-eight (48) hours prior notice of any Special Meeting must be given to each director personally, by mail, or by other electronic means provided the receipt of the electronic transmission can be confirmed. The purpose of a Special Meeting need not be specified in the Notice of the meeting.

Section 4. Notice of Meetings. Notice of any meetings may be waived by attendance at the meeting, except when a director attends a meeting and objects to the transaction of business. Notice of the meeting may also be waived by signing a Waiver of Notice before, during, or after the meeting.

Section 5. Quorum and Voting. A majority of the directors in office shall constitute a quorum necessary for the transaction of business at any Annual Meeting, Regular Meeting, or Special Meeting of the Board of Directors. If less than a quorum is present, the directors present may adjourn the meeting from time to time until a quorum is present. All matters considered by the Board of Directors shall be decided by a vote of a majority of the directors present at the meeting.

Section 6. Compensation. Directors shall not receive a salary for their services as directors. However, the Board of Directors may designate a fee to be paid to directors for attending any meeting of the Board of Directors, and shall also reimburse all directors for reasonable expenses of attendance at any meeting of the Board of Directors. Members of the Board of Directors may also receive a fee for and be reimbursed for all reasonable expenses incurred while attending at other meetings or other activities on behalf of the Cooperative. The Board of Directors shall, from time to time, establish policies and procedures regarding such attendance fees and reimbursement for reasonable expenditures.

Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation

for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

Section 7. Electronic or Telephonic Meetings. Any meeting of the Board of Directors may be held by means of a telephone conference or other electronic means, providing all persons participating in the meeting can hear one another and communicate with one another. Each person participating in the conference call shall be deemed to be present in person.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Cooperative shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also elect an Assistant Secretary-Treasurer and/or an Executive Vice President. The offices of the Secretary and Treasurer may be held by one person, in which case the officer so serving shall be called the Secretary-Treasurer. The Chief Executive Officer will be designated as Executive Vice President of the Cooperative.

Section 2. Election. The Board of Directors shall elect officers of the Cooperative at the Annual Meeting of the Board of Directors each year. The President, Vice President, Secretary, Treasurer, and Assistant Secretary-Treasurer and Executive Vice President, if elected, shall hold office until the next Annual Meeting of the Board of Directors and until their successors are elected and qualified, unless removed as hereinafter provided. The Board of Directors shall also have full authority to appoint, by a majority vote, such additional officers as the Board deems appropriate and in the best interests of the Cooperative and shall hire and designate a Chief Executive Officer.

Section 3. Removal. At any meeting called for that purpose, any officer of the Cooperative may be removed by a vote of a majority of all voting members of the Cooperative or by the directors. Any vacancy in any office may be filled by a majority vote of the Board of Directors for the unexpired portion of the term.

Section 4. President. The President shall be the principal Executive Officer of the Cooperative and shall preside at all meetings of the membership and all meetings of the Board of Directors. The President may sign, with the Secretary or an Assistant Secretary, or any other proper officer of the Cooperative authorized by the Board of Directors to do so, certificates of membership in the Cooperative, as well as any real estate deeds, mortgages, bonds, contracts, or other instruments authorized by the Board of Directors to be executed. In general, the President 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 5. Vice President. In the absence of the President, or in the event of the President's 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 of the restrictions upon the President. The Vice President shall also perform such other duties and responsibilities as, from time to time, may be assigned by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all Meetings of the Members and of the Board of Directors, and shall compile those minutes in a corporate minute book. The Secretary shall also be responsible for the mailing of all notices in a timely manner as provided by law, the Articles of Incorporation, or these Bylaws. The Secretary shall be the custodian of all corporate records and the seal of the Cooperative. Additionally, the Secretary shall keep a membership list showing the proper names and addresses of each member of the Cooperative. The Secretary shall also sign, along with the President, all membership certificates. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to the Secretary by the Board of Directors. In the absence of the Secretary, or in the event of the Secretary's inability or refusal to act, the Assistant Secretary shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the Secretary.

Section 7. Treasurer. The Treasurer of the Cooperative shall perform such duties with respect to the finances of the Cooperative as may be prescribed, from time to time, by the Board of Directors. In general, the Treasurer shall supervise all financial affairs of the Cooperative and shall perform all duties incident to the office of Treasurer, as well as such other duties as, from time to time, may be assigned to the Treasurer by the Board of Directors. In the absence of the Treasurer, or in the event of the Treasurer's inability or refusal to act, the Assistant Treasurer shall perform the duties of Treasurer, and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

Section 8. Assistant Secretary-Treasurer. In the absence of the Secretary or the Treasurer, or in the event of the Secretary's or the Treasurer's inability or refusal to act, the Assistant Secretary-Treasurer shall perform the duties of the Secretary or the Treasurer, respectively, and when so acting, shall have all the powers of and be subject to all of the restrictions on those offices.

Section 9. Executive Vice President. The Executive Vice President shall perform such duties of operations and management on behalf of the Cooperative as may from time to time be assigned by the Board of Directors.

Section 10. Chief Executive Officer. The Board of Directors shall also appoint a qualified person to serve as Chief Executive Officer of the Cooperative. The Chief Executive Officer may be, but shall not be required to be a member of the Cooperative. The Chief

Executive Officer shall perform such duties as the Board of Directors may, from time to time, require and shall have such authority as the Board of Directors may vest in said position. The Chief Executive Officer shall have general charge of the ordinary and usual business operations of the Cooperative, including supervision of all personnel, purchasing, marketing, cost controls, and the management of all products, services and supplies handled by the Cooperative.

Section 11. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer charged with responsibility for the custody of any of its funds or property, to give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give such bonds in such amounts, with such surety or sureties, and containing such terms and conditions as it shall determine.

Section 12. Compensation. The salary, compensation, and other benefits, 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, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

Section 13. Reports. The officers shall submit at each Annual Meeting of the Members reports covering the business of the Cooperative for the previous fiscal year and showing its condition at the close of such fiscal year.

ARTICLE VI

INDEMNIFICATION

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

ARTICLE VII

DEPOSITS, CHECKS, AND INSTRUMENTS

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative, if authorized to do so by the Board of Directors, and in such manner as shall from time to time be determined by resolution of the Board of Directors. All funds of the Cooperative shall be deposited to the credit of the Cooperative in such bank or banks as the Board of Directors may select. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract, or to execute and deliver any instrument in the name of and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

ARTICLE VIII

MEMBERSHIP CERTIFICATES

Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in the form and shall contain such provisions as determined by the Board of Directors, provided such terms are not inconsistent with the Articles of Incorporation and these Bylaws. The certificate shall be signed by the President and by the Secretary, and shall be sealed with the corporate seal. No membership certificate shall be issued until the membership application has been executed; except members of the cooperatives which have consolidated to form the present Cooperative shall receive a membership certificate upon their request. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued upon such terms, and with appropriate indemnity provisions, as the Board of Directors may prescribe. Each membership certificate, among other things, shall state in substance that membership in the Cooperative shall not be transferable and all certificates shall be surrendered to the Cooperative upon a member becoming ineligible to membership or upon the death, expulsion or withdrawal of the member holding such certificate.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Cooperative shall begin on January 1 of each year and shall end on December 31 of each year.

ARTICLE X

REVENUES AND RECEIPTS

Section 1. Disposition of Revenues and Receipts. No dividends shall be paid upon memberships in the Cooperative. Subject to the obligations of the Cooperative with respect to moneys borrowed and to the provisions of any mortgage or other security given to secure such obligations, 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 (1) thirty percent (30%) of the total of all capital paid in for 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 (2) one thousand dollars (\$1,000.00), whichever is greater; no additions shall be made to surplus whenever it exceeds either fifty percent (50%) of such total, or one thousand dollars (\$1,000.00), whichever is greater;
- (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 and the effective use of electricity;
- (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 the member has done with the Cooperative during such year; such credits are herein referred to as "deferred patronage dividends;" and,
- (e) 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. Membership Control of Disposition of Revenues and Receipts. 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.

Section 3. Revolving Fund. 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 as provided in Article X of the Articles of Incorporation, provided, however, that, notwithstanding any other provisions of these Bylaws, the Board of Directors at its discretion, shall have the power to 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. The payment of dividends owing a deceased natural person who was a member or patron 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 deceased member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Section 4. Deferred Patronage Certificates. 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. Maturity of Deferred Patronage Dividend Certificates. Credits or certificates referred to in Sections 3 and 4 of this Article 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 Article VIII of the Articles of Incorporation of the Cooperative.

ARTICLE XI

MEMBERSHIP IN OTHER ORGANIZATIONS

The Board of Directors of the Cooperative may cause the Cooperative to become a member of any other organization, corporation, association or cooperative, organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification.

ARTICLE XII

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 XIII

AMENDMENT

The Board of Directors, by a vote of seventy-five percent (75%) of the directors, may adopt, alter, amend, or restate the Bylaws of the Cooperative. Such original or amended Bylaws shall remain in force and effect until subsequently altered, amended, or repealed by a vote of seventy-five percent (75%) of the membership at any Annual Meeting or Special Meeting of the membership, provided notice of such meeting contains a copy of the proposed alternation, amendment, or repeal. The Bylaws shall be kept by the Secretary of the Cooperative and shall be subject to inspection by any member at any time.

CERTIFICATE

The undersigned, being the duly elected, qualified, and acting Secretary of Raccoon Valley Electric Cooperative, hereby certifies that the foregoing are the Bylaws of said Cooperative, duly adopted by its Board of Directors in accord with the requirements of the Cooperative's Articles of Incorporation, to be effective on January 1, 2010.

DATED this 4th day of January, 2010.

_____/s/ Mark Ludwig_____
Secretary