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**PLAN OF CONSOLIDATION
OF
GLIDDEN RURAL ELECTRIC COOPERATIVE
AND
SAC COUNTY RURAL ELECTRIC COOPERATIVE
TO FORM
RACCOON VALLEY ELECTRIC COOPERATIVE**

210809
\$20.00 DJC
COONS
i.c.i.

To be Effective January 1, 2010

Pursuant to the provisions of Section 499.63 of the Code of Iowa (2007), Glidden Rural Electric Cooperative (hereinafter "Glidden"), and Sac County Rural Electric Cooperative (hereinafter "SAC"), being Iowa cooperative corporations organized under Chapter 499 of the Code of Iowa (2007), hereby adopt the following Plan of Consolidation:

1. The names of the consolidating cooperatives are as set forth in the preceding paragraph, and the name of the new cooperative association shall be Raccoon Valley Electric Cooperative ("Raccoon Valley" or "Consolidated Cooperative").

2. Special meetings of the members of the cooperatives proposing to consolidate shall be held during the month of March of 2009, on such dates as may be determined by the individual boards of directors of the cooperatives, for the purpose of submitting this Plan of Consolidation to a vote of the members pursuant to Section 499.64 of the Code.

3. In the event the Plan of Consolidation is approved, the terms and conditions of the proposed consolidation are as follows:

- A. The effective date of the consolidation shall be January 1, 2010.
- B. The affairs of the Consolidated Cooperative shall be managed by a Board of Directors which will initially consist of the fourteen (14) present directors of the two cooperatives. The number of directors will eventually be reduced to seven (7).
- C. The service area of the Consolidated Cooperative shall be divided into seven (7)


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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.

- D. No election for directors shall be conducted until the Annual Meeting of Members to be held in 2010. 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.
- E. At the Annual Meeting of Members to be held in 2010, an election will be conducted for the purpose of electing directors from Districts 1 and 6. At the Annual Meeting of Members to be held in 2011, an election will be conducted for the purpose of electing directors from Districts 4 and 7. At the Annual Meeting of Members to be held in 2012, an election will be conducted for the purpose of electing directors from Districts 2, 3, and 5. 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. 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.
- F. The general offices and principal places of business of the cooperatives are now located in Glidden and Sac City, Iowa. Existing operational facilities at those locations shall be maintained unless the Board of Directors should determine otherwise. The office in Glidden shall be designated as the official business headquarters office.
- G. The operations of the Consolidated Cooperative will be directed by a Chief Executive Officer (CEO), who shall be selected by the Board of Directors of the Consolidating Cooperatives in advance of the Effective Date of the consolidation.

H. Upon the effective date of consolidation:

- (1) The two cooperatives shall cease to exist as separate associations, and the existence of the Consolidated Cooperative shall commence.
- (2) All property of the two cooperatives shall be transferred *to* and be vested in the Consolidated Cooperative, and the Consolidated Cooperative shall assume all of the liabilities of the two cooperatives, all pursuant to Section 499.68 of the Code of Iowa (2007).
- (3) All deferred patronage dividends previously allocated by the two cooperatives shall be transferred to the books of the Consolidated Cooperative as deferred patronage dividends of the Consolidated Cooperative.
- (4) All members of the two cooperatives shall be transferred to and become members of the Consolidated Cooperative, and the books of the Consolidated Cooperative shall reflect the amount paid by each member for membership. New membership certificates in the Consolidated Cooperative shall be issued to members *who* surrender their existing membership in one of the two cooperatives.
- (5) It is anticipated that the electric rates that are presently in effect for the two cooperatives will not change and the Consolidated Cooperative will initially have two rate zones, with rate zone **1** being the existing electric service territory of Sac County Rural Electric Cooperative and rate zone 2 being the existing electric service territory of Glidden Rural Electric Cooperative. The Board of Directors of the Consolidated Cooperative shall have authority to establish rates and it is anticipated that common rates for both zones will *be* developed in the future when the Board of Directors deems it appropriate.

4. In the event the cooperatives approve the Plan of Consolidation, the following shall constitute the Articles of Incorporation of the Consolidated Cooperative:

ARTICLES OF INCORPORATION

ARTICLE I

NAME, PRINCIPAL OFFICE AND REGISTERED AGENT

The name of the Cooperative is Raccoon Valley Electric Cooperative.

The principal registered office of the Cooperative is located in Glidden, Iowa, and the initial Registered Agent of the Cooperative will be Dennis L. Puckett, 660I Westown Parkway, Suite 200, West Des Moines, Iowa 50266-7733.

Raccoon Valley Electric Cooperative is organized under the provisions of Chapter 499 of the Code of Iowa (2007).

ARTICLE H

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 therefore;

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 premises 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

DU RATION

The corporate life of this Cooperative shall begin January 1, 2010, 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 I. 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 Raccoon Valley 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 therefore and for all additional electric energy used by such

member, the price which shall, from time to time, be fixed therefore by resolution of the Board of Directors. Each member shall also pay all obligations which may, from time to time, become due and payable by such member to the Cooperative as and when the same shall become due and payable. Each member shall comply with such rules and regulations as may, from time to time, be adopted by the Board of Directors.

Section 4. 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 Tennination 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 tennination 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 I 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 2010 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 vn

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 Raccoon Valley Electric Cooperative, and who shall also serve as the incorporators of Raccoon Valley Electric Cooperative:

NAME	ADDRESS	<u>OCCUPATION</u>
LaVerne Greving	27652 Phoenix Ave., Carroll, IA 51401-8559	Farmer
Dave Onken	14862 Quail Ave., Glidden, IA 51443-8550	Farmer
Mark Ludwig	11397 Ivy Ave., Breda, IA 51436-8553	Farmer
Rick Handles	10334 Union Ave., Lake City, IA 51449-8107	Teacher
Tim Reeve	24714 Timber Ave., Glidden, IA 51443-8716	Farmer
Bill Schreck	28759 Noble Ave., Dedham, IA 51440	Insurance
Steve Seidl	24498 330th St., Coon Rapids, IA 50058-705	Farmer
Eugene Mentzer	2756 Perkins Ave., Sac City, IA 50583	Farmer
Neil Pullen	2971 180th St., Sac City, IA 50583-7571	Insurance auditor
Brad Polzien	3684 Karr Avenue, Wall Lake, IA 51466	Farmer
Jeff Cranston	1881 315th St., Odebolt, IA 51458-7584	Farmer
Keith Kenny	1735200th St., Schaller, IA 51053-7547	Farmer
Kim Laursen	2488 Needham Ave., Sac City, IA 50583-7485	Farmer
Keith Mentzer	2650 Gard Ave., Earley, IA 50535-7563	Cabinet & Woodworker

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 Raccoon Valley Electric Cooperative, until the Annual Meeting of Members to be held in 2010, 2011, or 2012. After the Annual Meeting of Members to be held in 2012 the business and affairs of the Cooperative shall be managed by a Board of Directors consisting of seven (7) directors.

Section 2. There shall be seven (7) Districts, and, the initial election of directors for each District shall be held at the Annual Meetings of Members to be held in 2010, 2011, and 2012 as set forth in Section 3 of this Article VII. The election of directors shall be by Districts, with one

director representing each District following the initial election of directors for each District. Directors shall reside in and receive service from the cooperative at a location within the district they are elected to represent. 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. Each of the initial directors shall be assigned to the district where they reside and receive service.

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 nor more than eight 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 the directors shall be by ballot, and each voting member shall be entitled to cast one vote for each director to be elected. 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 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. 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.

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. 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 or her 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 I. 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 Cooperative 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.

0. 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 therefore. 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 therefore, and if the assets are insufficient to pay all such patronage dividends or certificates issued therefore, they shall be prorated to the payment of all such deferred patronage dividends or certificates issued therefore;

(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 (2007).

ARTICLE XIII

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.

5. This Plan of Consolidation has been approved by the Boards of Directors of the Consolidating Cooperatives, and was recommended to be submitted to the respective members for approval at special meetings of the members to be held in the month of March of 2009.

ADOPTION OF PLAN

BY

GLIDDEN RURAL ELECTRIC COOPERATIVE

On March 4, 2009, a Special Meeting of the Members of Glidden Rural Electric Cooperative was held at the Lincoln Club in Glidden, Iowa, pursuant to notice to all of the members of the Cooperative. Eight Hundred Sixty-Seven (867) members were present or represented by mailed ballots, and were entitled to vote at said meeting, said members constituting a majority of the members of the Cooperative. At said meeting, the Plan of Consolidation, as set forth herein, was voted upon by the members. The number of members voting in favor of the adoption of the Plan was Eight-Hundred Two (802), and the number of members voting against the adoption of the Plan was Sixty-Five (65). The Plan, having received the affirmative vote of at least two-third (2/3) of the members voting, in which a majority of all of the members voted, was declared to have been duly adopted by the members of the Cooperative.

AUTHORIZATION TO EXECUTE

Upon motion duly made, seconded and unanimously carried, the President and Secretary of the Cooperative were duly authorized to sign, execute, acknowledge, file, record, and do all things necessary or by Law required, to execute, complete and carry into effect the above and foregoing Plan of Consolidation.

CERTIFICATE

We, LaVerne J. Greving, Chairman and Secretary, respectively, of said Special Meeting of the Members of said Cooperative, held on the 4th day of March, 2009, do hereby certify the above to be a true and correct statement of the proceedings of said Meeting of the Members of said Cooperative held as aforesaid.

LaVerne J. Greving
Chairman

Mark Pudung
Secretary

EXECUTION

In conformity with the above action and pursuant to the authority therein granted, we, LaVerne J. Greving and Mark Pudung, the President and Secretary, respectively, of said Cooperative, have executed this instrument and do hereby certify that we signed, executed, and acknowledged the same for and on behalf of said Cooperative this 4th day of March, 2009.

LaVerne J. Greving
Chairman

m- Secretary

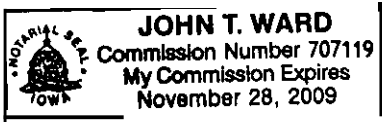
ACKNOWLEDGMENT

STATE OF IOWA)
) SS.
COUNTY OF "f6L-V-)

BE IT REMEMBERED, that on this 4th day of March, 2009, before me, a notary public in and for the State of Iowa, personally appeared *t VQ..<'""4-c. L.JiPJ and 1!A.(!IZ-V- L'- <d..U->ij.*, being to me personally known, who, being by me duly sworn, dfd state that they are the President and Secretary, respectively, of Glidden Rural Electric Cooperative, and that the foregoing instrument was executed by them on behalf of said Cooperative by authority of its Board of Directors; and that they acknowledge the execution of said instrument to be the voluntary act and deed of said Cooperative, by it executed, and by them voluntarily executed for and on behalf of said Cooperative.



Notary Public in and for
the State of Iowa.



ADOPTION OF PLAN

BY

SAC COUNTY RURAL ELECTRIC COOPERATIVE

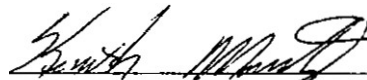
On March 4, 2009, a Special Meeting of the Members of Sac County Rural Electric Cooperative was held at the Wall Lake Community Center in Wall Lake, Iowa, pursuant to notice to all of the members of the Cooperative. Four Hundred Sixty-One (461) members were present or represented by mailed ballots, and were entitled to vote at said meeting, said members constituting a majority of the members of the Cooperative. At said meeting, the Plan of Consolidation, as set forth herein, was voted upon by the members. The number of members voting in favor of the adoption of the Plan was Three Hundred Thirty-Four (334), and the number of members voting against the adoption of the Plan was One Hundred Twenty-Four (124). The Plan, having received the affirmative vote of at least two-third (2/3) of the members voting, in which a majority of all of the members voted, was declared to have been duly adopted by the members of the Cooperative.

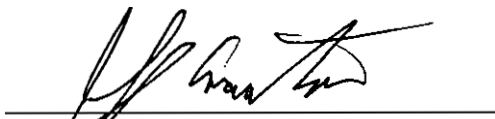
AUTHORIZATION TO EXECUTE

Upon motion duly made, seconded and unanimously carried, the Acting President and Secretary of the Cooperative were duly authorized to sign, execute, acknowledge, file, record, and do all things necessary or by law required, to execute, complete and carry into effect the above and foregoing Plan of Consolidation.

CERTIFICATE

We, Keith Mentzer and Jeff Cranston, Chairman and Secretary, respectively, of said Special Meeting of the Members of said Cooperative, held on the 4th day of March, 2009, do hereby certify the above to be a true and correct statement of the proceedings of said Meeting of the Members of said Cooperative held as aforesaid.


Chairman

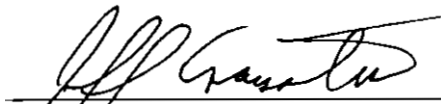

Secretary

EXECUTION

In conformity with the above action and pursuant to the authority therein granted, we, Keith Mentzer and Jeff Cranston, the Acting President and Secretary, respectively, of said Cooperative, have executed this instrument and do hereby certify that we signed, executed, and acknowledged the same for and on behalf of said Cooperative this 4th day of March, 2009.

>

CtiOiPresident



ACKNOWLEDGMENT

STATE OF IOWA)
) SS.
COUNTY OF 111:_____)

BE IT REMEMBERED, that on this 4th day of March, 2009, before me, a notary public in and for the State of Iowa, personally appeared Keith Mentzer and Jeff Cranston, being to me personally *known*, who, being by me duly sworn, did state that they are the Acting President and Secretary, respectively, of Sac County Rural Electric Cooperative, and that the foregoing instrument was executed by them on behalf of said Cooperative by authority of its Board of Directors; and that they acknowledge the execution of said instrument to be the voluntary act and deed of said Cooperative, by it executed, and by them voluntarily executed for and on behalf of said Cooperative.

Garre L. Hintz
Garre L. Hintz
Notary Public and for
the State of Iowa.

Notary Public, State of Iowa, No. 1/643
Commission Expires: 01/17/11
Notary Public, State of Iowa, No. 1/643

FILED
IOWA
SECRETARY OF STATE
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