

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MAQUOKETA VALLEY RURAL ELECTRIC COOPERATIVE
ANAMOSA, IOWA**

**Incorporated: January 10, 1936
As Amended and Restated: August 21, 2014**

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to the provisions of Section 499.41 of the Code of Iowa, the undersigned cooperative association, Maquoketa Valley Rural Electric Cooperative (the "Cooperative"), adopts the following Amended and Restated Articles of Incorporation:

ARTICLE I
NAME

The name of this Cooperative shall be MAQUOKETA VALLEY RURAL ELECTRIC COOPERATIVE. The Cooperative is organized under the provisions of Chapter 499 of the Code of Iowa.

ARTICLE II
PRINCIPAL OFFICE

The principal office of this Cooperative shall be located at Anamosa, Jones County, Iowa.

ARTICLE III
POWER

Except as expressly limited in these Articles of Incorporation, this Cooperative shall have the power to do anything permitted by a cooperative association, including, without limitation, those powers enumerated in Chapter 499, Code of Iowa, as amended.

ARTICLE IV
PURPOSE

The purpose or purposes for which this Cooperative is formed are:

1. To generate, manufacture, purchase, acquire and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and others.

2. 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, internet, electrical, water supply, waste management, television and/or transmission and distribution lines or systems necessary, convenient or useful for carrying out and 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 as set forth in this Article and in this Section, or as may be permitted by the provisions of the laws under which the Cooperative is formed; and to exercise any of its power anywhere;

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

4. 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 this Cooperative;

5. To assist its members by wiring or causing to be wired their premises and by installing and causing to be installed therein electric, plumbing and internet appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and, in connection therewith and for such purposes, to enter into and carry out all agreements necessary and advisable in connection therewith, and to purchase, acquire, lease, sell, distribute, install and repair electric, plumbing and internet appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character and to receive, acquire, endorse, guarantee, pledge, hypothecate, transfer, and otherwise dispose of notes and other evidences of indebtedness and all security therefor;

6. 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 this 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, franchises, privileges or permits of the Cooperative, where so ever situated, acquired or to be acquired;

7. To do and perform, either for itself or its members, 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 Cooperative is formed; and to exercise any of its powers anywhere.

ARTICLE V
DURATION

The duration of this Cooperative shall be perpetual.

ARTICLE VI
INCORPORATORS

The name, occupation and post office address of each of the original incorporators of this Cooperative were:

<u>Name</u>	<u>Occupation</u>	<u>Post Office Address</u>
J.W. Oscar Kinler	Farmer	Olin, Iowa
A.B. White	Farmer	Anamosa, Iowa
C.W. James	Farmer	Center Junction, Iowa
T.F. Supple	Farmer	Cascade, Iowa
A.G. Bohlken	Farmer	Monticello, Iowa
D.J. Wasson	Farmer	Onslow, Iowa
John L. Hein	Farmer	Monticello, Iowa
C.M. Holst	Farmer	Center Junction, Iowa
A. Parke Ogden	Farmer	Anamosa, Iowa

ARTICLE VII

MEMBERSHIP

1. Member Qualifications. Any individual, firm, association, corporation, partnership, irrevocable trust or other business organization may become a member in this Cooperative by applying for a membership certificate in the Cooperative and meeting the following four qualifications: (a) the address and federal identification number of the applicant is not shared with another existing member, (b) an electrical meter of the Cooperative will be used solely by the applicant and shall not be shared with any other member of the Cooperative, except as between members holding a joint membership, (c) the applicant agrees to purchase from the Cooperative the amount of electric energy hereinafter in Section 3 of this Article specified, and (d) the applicant agrees to comply with and 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. Any individual may act on behalf of a firm, association, corporation, partnership, irrevocable trust or other business organization as long as such individual provides the Cooperative sufficient documented evidence, satisfactory to the Cooperative, that such individual has been granted proper authority to act on behalf of the member entity. Any two individuals may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this Section provided the two individuals jointly comply with the provisions of the above subdivisions (a), (b), (c) and (d). The Bylaws of the Cooperative may fix such other terms and conditions upon which persons shall be admitted to and retain membership in the Cooperative not inconsistent with these Articles of Incorporation or the Act under which it is organized.

2. Membership Certificate. The Cooperative shall retain electronic records of all membership certificates. No applicant for membership shall hold office until his/her certificate of membership shall have been issued in the Cooperative's electronic records. The electronic membership certificates shall be the sole means of evidencing a member's membership in the Cooperative.

3. Minimum Purchase. Each member shall purchase from this Cooperative monthly not less than the minimum amount of electric energy which shall from time to time be fixed by resolution of the Board of Directors and shall pay therefor and for all additional electric energy used by him, 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 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.

4. No Capital Stock. This Cooperative shall have no capital stock.

5. Restrictions on Transfer. No membership shall be transferable.

6. Limits on Membership Ownership and Voting. No member of this Cooperative may own more than one (1) membership and each member shall be entitled to one (1) vote and no more. If two individuals hold a joint membership together, they shall be jointly entitled to one (1) vote, agreed unanimously, and no more upon each matter submitted to a vote at a meeting of the members. Votes shall be cast in person and not by proxy or as otherwise set forth in the Bylaws. A member of the Cooperative may have multiple separate accounts with the Cooperative. Such separate accounts are not entitled to voting rights on any matter requiring a vote at a meeting of the members and said accounts are represented in any vote by the member to whom the accounts are registered.

7. Disposition of Earnings. No dividends shall be paid upon the issuing price of membership in this 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 paid in for memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from non-member 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), whichever is greater. No addition shall be made to surplus when it exceeds either fifty percent (50%) of such total or one thousand dollars (\$1,000), 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.

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 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 the revolving fund and credited to said members and subscribers.

8. Member Control of Allocations. The members may, at any meeting, control the amount to be allocated to surplus or educational fund within the limits specified in Section 7 of this Article VII.

9. Use of Revolving Capital. The directors may use the revolving fund to pay the obligations of 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. All payments of deferred patronage dividends shall comply with Iowa Code § 499.33 or its successor provisions and any and all amendments thereto, and as dictated in the Cooperative's Bylaws. Payment of deferred patronage dividends may be paid in the order of priority determined by the Board of Directors as long as permitted under Iowa law. The payment of deferred patronage 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.

10. Issuance of Deferred Patronage Dividends. This 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.

11. Credit Maturity. Credits or certificates referred to in Sections 9 and 10 of this Article VII shall not mature until the dissolution or liquidation of the Cooperative, but shall be callable by the Cooperative at any time.

12. Expulsion of a Member. The Board of Directors of the Cooperative may by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors, expel any member of the Cooperative, including the original 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.

13. Membership Cancellation. If a member dies or becomes ineligible, or is expelled, his/her membership shall forthwith be canceled.

14. Member Withdrawal. Members of this Cooperative may voluntarily withdraw from membership upon payment in full of all debts and obligations to this Cooperative and upon compliance with and performance of all contracts with this Cooperative, and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

15. Member Obligations After Membership is Terminated. The death, expulsion, or withdrawal of a member of this Cooperative shall not impair his/her debts, obligations or liabilities to this Cooperative.

16. Distribution of Association Assets Upon Liquidation. Upon dissolution or liquidation, the assets of this Association shall be applied, first, to pay liquidation expenses, next to pay obligations of this Association other than patronage dividends or certificates issued therefor; and the remainder of such assets shall be distributed in the following priority:

a. To pay any deferred patronage dividends or certificates issued therefor. If the fund is insufficient to pay them all, it shall be prorated.

b. To pay members the amounts for which their memberships were originally issued, without interest or dividends thereon.

c. Any remaining assets shall be distributed among the members at the date of the dissolution or liquidation in proportion to their deferred patronage dividends.

17. No Member Personal Liability. The private property of the members of this Cooperative shall be exempt from execution for the debts of this Cooperative.

18. Other Charges. The directors may, from time to time, prescribe charges to be made to each member for services rendered him or upon products sold to him and the time and manner of collection.

ARTICLE VIII MEMBER MEETINGS

1. Annual Member Meetings. The first Annual Meeting of the members of this Association was held on the second day of February, 1937. The Annual Meeting of the members of this Cooperative shall be held on such date as shall be fixed by the Bylaws. The annual or special meeting of members of this Cooperative shall be held within the Counties of Delaware, Dubuque, Jackson or Jones, in the State of Iowa, at such places as shall from time to time be fixed by the Board of Directors of this Cooperative.

2. Special Member Meetings. The directors may call special meetings of members and shall do so upon written demand of twenty percent (20%) of the members.

3. Member Notice of Meeting. Unless a member waives their right to receive notice in writing, 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.

ARTICLE IX
DIRECTORS

1. Number. From and after the adoption, execution and recording of this amendment, the business and affairs of the Cooperative shall be managed by a Board of nine (9) directors who must be members of the Cooperative.

2. Tenure. At the annual meeting of the members beginning with the year 1936, the directors shall be divided into three (3) classes, each class consisting of three (3) directors. The directors of the first class shall be elected for the term of one (1) year, those of the second class shall be elected for the term of two (2) years, and those of the third class shall be elected for the term of three (3) years. At each regular annual meeting thereafter, a number of directors equal to the number of directors whose terms expire at the time of such meeting shall be elected to hold office for the term of three (3) years, and until their respective successors shall have been elected and qualified.

3. Qualifications. All directors of the Cooperative are elected in an at-large election. The Cooperative's service area shall be divided into four (4) numbered geographic regions. Two (2) members shall be elected from each geographic region to serve as director on the Cooperative's Board of Directors. The directors shall reside within the geographic region they are elected to represent. The remaining ninth director shall be selected from any geographic region or the geographic region determined by the Board of Directors. If a properly elected director no longer resides in the geographic region for which he or she represents, then such director shall be permitted to serve out his or her remaining term, unless such director is otherwise precluded from serving as a director under Iowa law or otherwise.

The Bylaws of the Cooperative shall fix such other terms and conditions upon which a person's residency shall be determined for purposes of qualifying to be elected to a particular seat of the Board of Directors, not inconsistent with these Articles of Incorporation or the Act under which it is organized.

The geographic region boundaries shall be described in the Bylaws of the Cooperative and shown on a map, with such description and map maintained at all offices of the Cooperative and kept available to members. Said geographic regions may be revised as necessary by the Board of Directors.

4. Director Candidates. The Bylaws of the Cooperative shall provide for a procedure for nominating candidates to serve on the Board of Directors of the Cooperative. A list of nominees for the Board of Directors shall be posted at the principal office of the Cooperative at least thirty (30) days prior to the meeting of the members where an director election is scheduled to occur.

5. Election. The election of directors shall be by ballot and each voting member shall be entitled to cast one (1) vote for each director to be elected. The ballot shall contain the name of each of the candidates nominated and clearly identify the director vacancy or geographic region from which each candidate has been nominated.

6. Director Vacancy. Subject to the provisions of Section 7 of this Article IX, any vacancy in the Board of Directors may be filled by a majority vote of the remaining directors, and the director thus elected shall serve until the next regular annual meeting of the members, at which time a director shall be elected for the balance of the term of the director whose office shall have become vacant and until his successor shall have been elected and qualified. If the vacancy is not filled by the remaining directors, then such vacancy shall be filled by the members at the next annual meeting of the members. If a vacancy

results in the number of directors serving on the Board of Directors to fall below the minimum required number of directors under Iowa Code § 499.36, or its successor provisions and any and all amendments thereto, then the Directors shall fill the vacancy.

7. Director Removal. At any meeting of members called for that specific purpose, any officer or director may be removed by vote of a majority of all members present at such meeting. Any vacancy in the Board of Directors pursuant to Section 7 may be filled at the same meeting at which such vacancy is created and the director so elected shall hold office until the next succeeding regular annual meeting of the members of the Cooperative and until his/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 in the manner and for the term specified in Section 6 of this Article IX.

8. Director Resignation. A director may resign at any time by delivering written resignation to the board of directors. Such resignation is effective upon delivery, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. 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 6 of this Article IX.

9. Director Absence Constituting Director Resignation. The Members expect that all elected directors will actively and materially participate in and attend the Board of Directors meetings. As such, any director who fails to attend, either in person or via telecommunication, three or more consecutive Board of Director meetings (such a director is referred to as an "Absent Director") shall be deemed to have voluntarily tendered his or her resignation to the Board pending Board acceptance. At the conclusion of a Board of Director meeting where an Absent Director is absent, the Board shall note in the meeting minutes that by reason of such continued absences the Absent Director has voluntarily tendered his or her resignation to the Board of Directors. The Board of Directors shall hold a vote at the end of the Board of Director meeting where an Absent Director has failed to attend to determine if the Board will accept the Absent Director's resignation. The Board's acceptance of an Absent Director's resignation shall be deemed effective immediately. If the Board refuses to accept an Absent Director's resignation, then such Absent Director shall remain on the Board. However, at the conclusion of any subsequent Board of Director meeting where such Absent Director remains absent and continues to qualify as an Absent Director, then the terms of this Section 9 shall again be triggered and the Absent Director shall again be deemed to have tendered his or her voluntary resignation pending Board approval.

ARTICLE X SALE OF ASSETS

A sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Cooperative with or without the goodwill, 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 a 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 or a 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 (2/3) 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 XI
RELIEF FROM LIABILITY FOR MONETARY DAMAGES

Except as otherwise provided by Iowa law, a director, officer, employee, member or volunteer of the Cooperative shall not be personally 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, or its successor and any and all amendments thereto.

ARTICLE XII
AMENDMENT TO BYLAWS

The directors by a vote of seventy-five percent (75%) of the directors may adopt, alter, amend, or repeal the Bylaws of 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 at any annual meeting or special meeting of the members.

ARTICLE XIII
AMENDMENT TO ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended by a vote of sixty-six and two-thirds percent (66 2/3%) of the members present at any annual meeting or any special meeting called for that purpose, provided that at least ten (10) days before said annual meeting or special meeting a copy of the proposed amendment or summary thereof be sent to all members.

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
MAQUOKETA VALLEY RURAL ELECTRIC COOPERATIVE**

KNOW ALL MEN BY THESE PRESENTS:

That at the Annual Meeting of the Members of Maquoketa Valley Rural Electric Cooperative, a Cooperative corporation duly organized under the laws of the State of Iowa, held at _____, Iowa, on the 21st day of August, 2014, pursuant to notice given to all members of said Cooperative, the attached Amended and Restated Articles of Incorporation was adopted by a vote of the members as herein certified.

Members Voting Aye: _____

Members Voting Nay: _____

Total Members Present: _____

Percentage in Favor of Adoption: _____

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 Amendment to the Articles of Incorporation of said Cooperative.

CERTIFICATE

We, Larry Swanson and Eugene Manternach, President and Secretary, respectively, of said meeting of the members of said Cooperative, held on 21st day of August, 2014, do hereby certify the above to be true and correct statement of the proceedings of the said Annual Meeting of the members of said Cooperative held as aforesaid.

Larry Swanson, President

Eugene Manternach, Secretary

EXECUTION

In conformity with the above resolution and pursuant to the authority therein granted, we, Larry Swanson and Eugene Manternach, President and Secretary, of said Cooperative, have executed this instrument and do hereby certify that we have signed, executed, and acknowledged the same for and on behalf of said cooperative this ___ day of _____, 2014.

Larry Swanson, President

Eugene Manternach, Secretary

STATE OF IOWA)
)ss.
COUNTY OF _____)

On this ___ day of _____, 2014, before me, a Notary Public in and for the State of Iowa, personally appeared Larry Swanson and Eugene Manternach, to me personally know, who, being by me duly sworn, did state that they are the President and Secretary, respectively of Maquoketa Valley Rural Electric Cooperative and that the foregoing instrument was signed and executed by them as on behalf of said Cooperative by authority of its members; and that they acknowledge the execution of said instrument to be the voluntary act and deed of the Cooperative, by its voluntarily executed, and by them voluntarily executed, for and on behalf of said Cooperative.

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

My Commission Expires:_____