

**ARTICLES OF INCORPORATION
OF
UNION COUNTY RURAL POWER COMPANY**

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned for ourselves, our associates and successors, have associated ourselves together for the purpose of forming a corporation under and by virtue of the statutes and the laws of the state of South Dakota, and we do hereby certify and declare as follows, viz:

FIRST. The Name of the Corporation shall be Union County Rural Power Company and its principal place of business shall be at Elk Point, in the County of Union, State of South Dakota, where meetings of the Directors and Stock Holders shall be held for the transaction of business.

SECOND. The purposes for which this Corporation is formed are:

(1) 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 other manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and transmission and distribution lines and systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purposes;

(2) To assist its stockholders by wiring or causing to be wired their premises and by installing and causing to be installed therein electric and plumbing 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 and plumbing appliances, fixtures, machinery supplies, apparatus, and equipment of any and all kinds and character ad to receive, acquire, endorse, guarantee, pledge, hypothecate, transfer and otherwise dispose of notes and other evidences of indebtedness and all security therefore;

(3) To purchase, receive, lease as lessee, or in any manner acquire, own, hold, maintain, use, sell, convey, lease as lessor, exchange, pledge, mortgage or in any manner dispose of any and all real and personal property or any interest necessary, useful or appropriate to enable this Corporation to accomplish any or 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 Corporation;

(5) To borrow money and otherwise contract indebtedness, and to give any form of obligation or security therefore and without limiting the generality of the foregoing to issue notes, bills of exchange, bonds, debentures and other evidences of indebtedness and to secure any of its

obligations by mortgage, pledge or deed of trust of any or all of its property, assets, franchises and income;

(6) To do and perform, either for itself or its stockholders 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; and to exercise any of its power anywhere.

THIRD. The electric transmission and distribution lines to be operated by the Corporation shall be constructed in Union County, South Dakota and shall be approximately 400 miles in length, and shall run from Elk Point to farms in Jefferson, Civil Bend, Elk Point, Richland, Brule, Sioux Valley, Spink, Emmet, Prairie, Big Springs, Alcester, and Virginia Townships, County of Union, State of South Dakota.

FOURTH. The term for which the Corporation shall exist shall be perpetual.

FIFTH. The amount of the capital stock of the Corporation shall be six thousand (\$6,000.00) Dollars, divided into 12,000 shares of Fifty cents (\$.50) per value each.

The shares of the capital stock of the Corporation shall not be issued in excess of the amount and the number of shares, authorized above and shares shall be issued by the Board of Directors. Said Board shall issue ten (10) shares of the capital stock of the Corporation to any person who shall pay the issuing price thereof, agree to purchase electric energy from the Corporation and agree to comply with these articles of incorporation, the by-laws of the Corporation and rules and regulations as may from time to time be adopted by the Board of Directors of the Corporation. Shares of the capital stock of the Corporation shall be issued only in units of ten (10) shares and no person shall own more than one (1) such unit of ten (10) shares of capital stock.

The subscriptions for, and the ownership of, all shares of capital stock of the Corporation authorized or to be authorized shall be made and taken upon the express understanding and agreement by the subscribers, stockholders and the Corporation that any owner of a unit of ten (10) shares of the capital stock desiring to sell the same shall first offer said shares to the Corporation stating therein the price, but not in excess of the par value thereof, that he is willing to accept and the Corporation shall have the option to purchase with its surplus funds and with the lawful assent of the stockholders, such shares of capital stock within thirty (30) days after such offer at the price offered, but not in excess of the par value of said shares. After the expiration of such time the stockholder, if the Corporation shall not have exercised its option to purchase such shares of capital stock shall be free to make any other sale of such shares of capital stock; provided, however, that such sales may be made only to a person who is not a stockholder and who is using electric energy supplied by the Corporation, or who has agreed to do so.

No person shall be a stockholder in the corporation who does not use electric energy supplied by the Corporation from an electric distribution line or system construction of which has been commenced or authorized by the Corporation.

No owner of capital stock of the Corporation shall have any preferential, preemptive or other right to subscribe for or to buy any shares of capital stock of the corporation at any time, authorized, issued or sold.

No dividends in excess of six per cent (6%) shall be paid upon capital stock of the Corporation. The directors shall annually apply the earnings of the Corporation in excess of its operation expenses, including expenses of maintenance of the properties as follows:

- (a) To payment of such dividends not in excess of six per cent (6%) of the par value of the capital stock as may be determined by the Board of Directors.
- (b) To provide a reasonable reserve for depreciation obsolescence, bad debts or contingent losses or expenses and such other reserves as the Board of Directors shall deem advisable.
- (c.) At least ten percent (10%) of the remaining earnings shall be added to surplus until the surplus shall equal fifty percent (50%) of the paid in capital stock.
- (d) The remainder of said earnings shall be refunded to the patrons of the Corporation in proportion of the purchases of such patrons from the Corporation during such year, except to the extent that the Board of Directors shall vote to apply all or part of such earnings to the payment of indebtedness of the Corporation including indebtedness not yet due.

Under dissolution or liquidation, the assets of the Corporation shall be applied to pay liquidation expenses and debts and obligations of the Corporation other than patronage refunds, and the remainder of such assets shall be distributed in the following priority:

- (a) To pay any deferred patronage refunds.
- (b) To pay stockholders the par value of the shares of stock held by them together with any unpaid dividends thereon.
- (c.) Any remaining assets shall be divided pro rate among the stockholders of the corporation at the date of the dissolution or liquidation.

SIXTH. The number of directors of the corporation shall be five and the names and residences of those who are to serve as such until the election of directors and their qualification shall be as follows:

NAME	RESIDENCE	NO. OF SHARES
SUBSCRIBED		
James J. Gill	Elk Point, South Dakota	10
A. A. Pace	Elk Point, South Dakota	10
Earl R. Pike	Elk Point, South Dakota	10
Victor Olson	Elk Point, South Dakota	10
George Donnelly	Elk Point, South Dakota	10

SEVENTH. No member shall be liable for the debts of the Corporation except for such amount as may remain unpaid on his membership certificate.

IN TESTIMONY WHEREOF, We have hereunto set our hands this 2nd day of March 1937.

James J. Gill
 A.A. Pace
 Earl R. Pike
 Victor Olson
 George Donnelly

STATE OF SOUTH DAKOTA))
) SS.
 COUNTY OF UNION))

BE IT REMEMBERED, that on this 2nd, day of March A.D., 1937, before the undersigned, personally appeared the above named; James J. Gill, A. A. Pace, Earl R. Pike, Victor Olson, and George Donnelly, well and personally known to me to be the same persons described in and who executed the foregoing instrument, and severally duly acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at said county the day and year last written above.

(Notarial Seal) O. G. Donley
 Notary Public, Union County,
 South Dakota

STATE OF SOUTH DAKOTA))
) SS.
 COUNTY OF UNION))

James J. Gill, A. A. Pace, Earl R. Pike, Victor Olson, and George Donnelly being duly sworn, each for himself deposes and says; that he is one of the persons described in and who signed the foregoing articles of incorporation as an incorporator therein; that he has read said articles and knows the contents thereof; that the incorporators intend in good faith to form a corporation for the purpose of constructing and operating the electric transmission and distribution lines, as set forth in said articles, and not for the purpose of enabling any corporation or corporations to avoid the provisions of sections 4352 to 4364, inclusive, of the revised code of South Dakota, relating to unlawful trusts and combinations and laws amendatory thereto.

James J. Gill
 A.A. Pace
 Earl R. Pike
 Victor Olson
 George Donnelly

**ARTICLES OF CONVERSION
OF
UNION COUNTY RURAL POWER COMPANY,**

A corporation executed pursuant to the Electric Cooperative Act of South Dakota, Section 20, S.B. 83 approved February 26, 1947.

Union County Rural Power Company, a corporation, for the purpose of becoming converted into a cooperative, non-profit, membership corporation pursuant to the Electric Cooperative Act of South Dakota, Section 20, S. B. 83, approved February 26, 1947, hereby certifies and states as follows:

FIRST: The name of the Corporation prior to its conversion into a cooperative is Union County Rural Power Company.

SECOND: The address of the principal office of the Corporation prior to its conversion is Elk Point, Union County, South Dakota.

THIRD: The Corporation was organized as a corporation under South Dakota Code (1939), Sections 52.1501 et seq.

FOURTH: The Corporation elects to become a cooperative, non-profit, membership corporation subject to the Electric Cooperative Act, S. B. 83, approved February 26, 1947.

FIFTH: The name assumed by the Corporation is Union County Electric Cooperative.

SIXTH: The address of the principal office of the cooperative is Elk Point, Union County, South Dakota.

SEVENTH: The board of directors of the Corporation shall constitute the board of directors of the converted corporation and shall hold office until the next following annual meeting of the members or until their successors shall have been elected and shall have qualified. The names and addresses of the directors are as follows:

NAME	ADDRESS
Lee Stoutenburg	Akron, Iowa
George Donnelly	Elk Point, S. Dak.
Earl R. Pike	Elk Point, S. Dak.
J. Martin Larsen	Burbank, S. Dak.
Alex Chicoine	Jefferson, S. Dak.

EIGHTH: The manner and basis of converting shares of stock of the Corporation into memberships in the converted corporation after completion of the conversion shall be as follows: Each stockholder of the Corporation shall automatically, upon completion of the conversion, become a member in the converted corporation.

IN WITNESS WHEREOF, Union County Rural Power Company has caused these articles of conversion to be executed in its name by its President, and its corporate seal to be hereto affixed and attested by its Secretary, this 9th day of March 1948.

UNION COUNTY RURAL POWER COMPANY

(SEAL)

BY
President

Attest:

EARL R. PIKE
Secretary

State of South Dakota,
:ss
County of Union.

On this 9th day of March 1948, before me appeared Lee Stoutenburg, to me personally known, who, being by me duly sworn, did say that he is the President of the Union County Rural Power Company and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was filed and sealed in behalf of said corporation by authority of its stockholders and board of directors, and said Lee Stoutenburg acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

VINCENT M. GILL
Notary Public
NOTARIAL SEAL

Union County, South Dakota.

My Commission Expires:
November 17, 1949

**AFFIDAVIT OF COMPLIANCE WITH SECTION 20
OF THE ELECTRIC COOPERATIVE ACT**

STATE OF SOUTH DAKOTA) : SS
COUNTY OF UNION)

On this 31st day of March 1948, before me appeared Lee Stoutenburg, to me personally known, who, being by me duly sworn, did say that he is the President of the Union County Rural Power Company and that the provisions of Section 20 of the Electric Cooperative Act of South Dakota, S. B. 83, approved February 20, 1947, with respect to the conversion of the Association into a cooperative pursuant to said Section 20, were duly complied with.

Lee Stoutenburg

Subscribed and sworn to before me this 31st day of March 1948.

O. G. Donley
Notary Public
NOTARIAL SEAL

Union County, South Dakota.

My Commission Expires:
October 24, 1951

State of South Dakota)
) SS
Office of the Secretary of State)

I hereby certify that the within instrument was filed for record on the 8th day of April A.D. 1948, at 10 o'clock AM, and recorded in Vol. on Page Record Domestic Corporations of this office.

Secretary of State

Assistant Secretary of State

SOUTH DAKOTA 6 UNION

**UNION COUNTY ELECTRIC COOPERATIVE, INC.
ELK POINT, SOUTH DAKOTA**

RESOLUTION

RESOLVED, that the President of the corporation be, and he hereby is, authorized, empowered and directed, for an on behalf of the corporation, and in its name, to sign, execute and deliver as many counterparts as shall be deemed by him necessary or advisable of a mortgage of all of the property and assets of the corporation, now owned or hereafter acquired, to the United States of America, or any agency or instrumentality thereof, or any other lender, under the seal of the corporation, which the Secretary is hereby directed to affix and attest, and to execute and deliver in the same manner, any and all mortgage notes, deemed necessary, provided however, that the aggregate amount of all such mortgage notes, shall not exceed the sum of five million (\$5,000,000.00) dollars.

DATED: May 18, 1976

SIGNED:
Dwight Nylund, President

Reynold Ballinger, Secretary

I, Reynold Ballinger, do herby certify that I am the duly elected, qualified and acting secretary of Union County Electric Cooperative, Inc. and the keeper of its records, ant that the resolution is a true and correct copy of the resolution duly adopted at a regular meeting of the board of directors of said cooperative duly convened and held in accordance with its by-laws on the 18th day of May 1976, at which a quorum was present an acting throughout, and I do further certify that said resolution is still in force and effect and has not been repealed.

IN WITNESS WHEREOF, I have hereunto subscribed my name as secretary and affixed the corporate seal of said cooperative this 18th day of May 1976 by order of the board of directors of UNION COUNTY ELECTRIC COOPERATIVE, INC.

Reynold Ballinger, Secretary