

INCORPORATED UNDER THE LAWS
OF THE STATE OF MINNESOTA

No. 25643

One Share(s)

EAST CENTRAL ELECTRIC ASSOCIATION

Braham, Minnesota

COMMON STOCK

PAR VALUE \$10 PER SHARE

This Certifies That Nathie Erickson

is the owner of one share(s) of the Common Capital Stock of the

EAST CENTRAL ELECTRIC ASSOCIATION

fully paid and non-assessable, transferable only on the books of the association by the holder hereof in person or by attorney upon surrender of this certificate properly endorsed.

The share(s) evidenced by this certificate are subject to a first lien in favor of said association, its first option to purchase said share(s), redemption, and restrictions upon transfer, voting rights, dividends, pre-emptive rights and dissolution, all as more particularly now or hereafter provided in said association's Articles of Incorporation and By-Laws which are reproduced on the reverse side hereof and hereby incorporated herein.

IN WITNESS WHEREOF, the said association has caused this certificate to be signed

by its duly authorized officers this 31st day of May, A. D. 19 64

Arthur Wallen

SECRETARY

Harvey Erickson

PRESIDENT

ARTICLES OF INCORPORATION

ARTICLE V—Capital Stock

Section 2. Capital Stock:

a. **Lien.** This association shall have a first lien on all shares of its capital stock for all indebtedness of the holder thereof to this association.

b. **Transfer.** Shares of capital stock shall be sold or transferred only on the books of this association and only with the consent and approval of the Board of Directors; provided, that said shares shall remain subject to this association's lien thereon; and provided, further, that this association shall have the first privilege of purchasing any shares offered for sale by any stockholder, as more particularly provided in the By-Laws.

c. **No Pre-emptive Rights.** Shares of capital stock shall not entitle the holder thereof to subscribe for or to purchase any unissued shares of capital stock, either ratably in proportion to the number of shares held or otherwise.

d. **Issuance of Shares.** No share of capital stock may be issued for less than par; but the Board of Directors may issue new shares for par regardless of the book value or the market value or any other value of any shares then issued and outstanding.

e. **Reserves.** The records of this association may show the interests of the patrons in the reserves; but stockholders shall have no right, title or interest of any kind in or to any reserve or revolving fund either upon dissolution or otherwise.

Section 3. Common Stock:

a. **Members and Eligibility.** The members of this association shall be the holders of one or more fully paid shares of its common stock. The common stock of this association may be issued or transferred to or held by only persons who (i) either reside in or own or lease real property in the territory served by this association, (ii) patronize this association, and (iii) have been approved by the Board of Directors. Whenever any member shall have ceased to be eligible to hold said common stock, or shall have failed to patronize this association for a period of twelve consecutive calendar months, or shall have intentionally or repeatedly violated any By-Law, or shall have remained indebted to this association for more than ninety days after such indebtedness became payable, or otherwise shall have breached any contract between him and this association, or shall have wilfully obstructed any purpose or proper activity of this association, then in any such event the Board of Directors may require such member to surrender all common stock owned by him, and shall refund to him the par value or the

book value of such stock, whichever is lesser; and such refund may be made either in cash or by issuing revolving fund credits at the principal amount thereof, as the Board of Directors may determine in each case.

b. **Votes.** Each person holding one or more shares of common stock shall be entitled and restricted to only one vote in the affairs of this association regardless of the number of such shares owned by him. Common stockholders may vote by mail as provided in the By-Laws; but there shall be no voting by proxy. Only common stockholders shall have voting power.

c. **No dividends** shall be declared or paid on any shares of common stock.

BY-LAWS

ARTICLE IV—Capital Stock and Certificates

Section 3. This association shall have the first option of purchasing any shares of capital stock if and when the same are offered for sale by any stockholder, and no such shares shall be transferable until after they first shall have been offered for sale to this association. Upon receiving any such offer in writing, this association shall have ninety (90) days thereafter in which to purchase the shares so offered. If this association, within said period, shall pay or tender to the holder the price for which said shares are so offered for sale, the holder shall endorse and deliver to this association the certificate for said shares, and said shares may be held as treasury stock or cancelled. If this association shall refuse said offer or fail to pay or tender said price within said period, the holder thereupon and for a period of one year thereafter shall be free to sell said shares to others at a price not less than the price at which said shares were offered to this association; provided, that said shares shall not be transferred to anyone not eligible to hold the same; and provided, further, that said shares shall remain subject to this association's lien thereon.

ARTICLE VIII—Dissolution

Upon the dissolution of this association, all of its debts and liabilities shall first be paid according to their respective priorities. Any property then remaining shall be distributed to the stockholders and patrons of this association. Holders of shares of common stock shall first be paid, and shall be limited to, the par value of their common shares. Holders of credits in the revolving fund shall next be paid, and shall be limited to, the principal amount of their credits in said fund. If all or any part of any reserve shall have been apportioned between and credited to any persons on the books of this association, then the holders of such credits shall next be paid, and shall be limited to, the gross amount of their said credits. Any property then remaining shall be distributed among the patrons on the basis of their respective patronage as shown by the records of this association.

For Value Received, _____ hereby sell, assign and transfer

unto _____

_____ shares
of the Common Capital Stock represented by the within certificate and hereby irrevocably empower

and appoint _____ attorney
to transfer the said shares on the books of the within named association with full power of substitution
in the premises.

Dated _____ 19 _____

In presence of _____