



## BYLAWS

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## Table of Contents

|                                                                        |    |
|------------------------------------------------------------------------|----|
| INTRODUCTION .....                                                     | 1  |
| ARTICLE I: MEMBERSHIP .....                                            | 1  |
| Section 1: Eligibility .....                                           | 1  |
| Section 2: Membership Record .....                                     | 1  |
| Section 3: Joint Membership .....                                      | 2  |
| Section 4: Conversion of Membership .....                              | 2  |
| Section 5: Membership Fees.....                                        | 2  |
| Section 6: Purchase of Goods or Services .....                         | 3  |
| Section 7: Member Bankruptcy .....                                     | 3  |
| Section 8: Provisions of Cooperative Service .....                     | 3  |
| Section 9: Termination of Membership .....                             | 5  |
| Section 10: Membership .....                                           | 5  |
| Section 11: Suspension and Reinstatement of Membership.....            | 5  |
| ARTICLE II: RIGHTS AND LIABILITIES OF MEMBERS .....                    | 5  |
| Section 1: Property Interest of Members .....                          | 5  |
| Section 2: Non-Liability for Debts of the Cooperative .....            | 5  |
| ARTICLE III: MEETING OF MEMBERS .....                                  | 5  |
| Section 1: Annual Meeting .....                                        | 5  |
| Section 2: Special Meetings .....                                      | 6  |
| Section 3: Notice of Members' Meetings .....                           | 6  |
| Section 4: Quorum .....                                                | 6  |
| Section 5: Voting .....                                                | 6  |
| Section 6: Proxies .....                                               | 6  |
| Section 7: Order of Business .....                                     | 6  |
| ARTICLE IV: TRUSTEES .....                                             | 6  |
| Section 1: General Powers .....                                        | 6  |
| Section 2: Election and Tenure of Office .....                         | 7  |
| Section 3: Qualifications .....                                        | 7  |
| Section 4: Voting Districts .....                                      | 7  |
| Section 5: Petition Requirement .....                                  | 7  |
| Section 6: Election of Trustees .....                                  | 8  |
| Section 7: Candidacy .....                                             | 8  |
| Section 8: Removal of Trustee .....                                    | 8  |
| Section 9: Vacancies .....                                             | 8  |
| Section 10: Compensation .....                                         | 9  |
| ARTICLE V: MEETINGS OF TRUSTEES .....                                  | 9  |
| Section 1: Regular Meetings.....                                       | 9  |
| Section 2: Special Meetings .....                                      | 9  |
| Section 3: Notice of Board Meetings .....                              | 9  |
| Section 4: Quorum.....                                                 | 9  |
| Section 5: Conduct of Board Meetings.....                              | 9  |
| Section 6: Trustee Conduct.....                                        | 10 |
| ARTICLE VI: OFFICERS .....                                             | 10 |
| Section 1: Number .....                                                | 10 |
| Section 2: Election and Term of Office .....                           | 10 |
| Section 3: Removal of Trustees, Officers and Agents by the Board ..... | 11 |
| Section 4: President .....                                             | 11 |

|                                                                                                 |    |
|-------------------------------------------------------------------------------------------------|----|
| Section 5: Vice President.....                                                                  | 11 |
| Section 6: Secretary .....                                                                      | 11 |
| Section 7: Treasurer.....                                                                       | 11 |
| Section 8: General Manager/Chief Executive Officer.....                                         | 12 |
| Section 9: Protection of Officers .....                                                         | 12 |
| Section 10: Compensation .....                                                                  | 12 |
| Section 11: Reports.....                                                                        | 12 |
| ARTICLE VII: NON-PROFIT OPERATION .....                                                         | 12 |
| Section 1: Interest of Dividends on Capital Prohibited .....                                    | 12 |
| Section 2: Patronage Capital in Connection with Furnishing Cooperative Services .....           | 12 |
| Section 3: Application of Patronage Capital to Debts Due Cooperative and to Membership Fees ... | 13 |
| ARTICLE VIII: DISPOSITION OF PROPERTY .....                                                     | 13 |
| Section 1: Restrictions of Disposition .....                                                    | 13 |
| Section 2: Appraisal.....                                                                       | 13 |
| Section 3: Merger or Consolidation.....                                                         | 14 |
| ARTICLE IX: DISSOLUTION.....                                                                    | 14 |
| ARTICLE X: SEAL .....                                                                           | 14 |
| ARTICLE XI: FINANCIAL TRANSACTIONS .....                                                        | 14 |
| Section 1: Contracts.....                                                                       | 14 |
| Section 2: Checks, Drafts, etc.....                                                             | 14 |
| Section 3: Deposits .....                                                                       | 14 |
| Section 4: Fiscal Year.....                                                                     | 14 |
| ARTICLE XII: MISCELLANEOUS .....                                                                | 15 |
| Section 1: Membership in Other Organizations .....                                              | 15 |
| Section 2: Notice and Communication.....                                                        | 15 |
| Section 3: Waiver of Notice .....                                                               | 15 |
| Section 4: Policies, Rules and Regulations .....                                                | 15 |
| Section 5: Accounting System and Reports .....                                                  | 15 |
| Section 6: Area Coverage.....                                                                   | 15 |
| Section 7: Electronic Documents and Actions .....                                               | 16 |
| ARTICLE XIII: INDEMNITY OF TRUSTEES AND OFFICERS.....                                           | 16 |
| Section 1: Indemnity.....                                                                       | 16 |
| Section 2: Authorization of Indemnity .....                                                     | 16 |
| Section 3: Advance of Expenses .....                                                            | 17 |
| Section 4: Nonexclusive Rights.....                                                             | 17 |
| ARTICLE XIV: AMENDMENTS .....                                                                   | 17 |
| Section 1: Legal Requirement .....                                                              | 17 |
| Section 2: Emergency Bylaws .....                                                               | 17 |
| Section 3: Bylaw Amendment.....                                                                 | 17 |

BYLAWS  
4 RIVERS ELECTRIC COOPERATIVE, INC.

INTRODUCTION

The Articles of Consolidation and these Bylaws are contracts between 4 Rivers Electric Cooperative, Inc. ("Cooperative") and a Member. By becoming a Member, the Member acknowledges that: (1) Every Member is a vital and integral part of the Cooperative; (2) the Cooperative's successful operation depends upon each Member complying with the Governing Documents; and (3) members are united in an interdependent relationship.

If a dispute arises out of, or relates to, the Governing Documents, the Cooperative's Provision of a Cooperative Service, or a Member's Use of a Cooperative Service, and if the dispute cannot be settled through negotiation, and if requested by the Cooperative or the Member then the Cooperative and the Member shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or other dispute resolute procedure.

If mediation is unsuccessful, the Member shall settle the controversy or claim by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and the judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Controversies and claims must be settled through individual arbitration, and not through collective or class action arbitration.

As requested by the Cooperative, a Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative Trustee, Officer, employee, agent, or representative ("Cooperative Official"), and caused by the negligence, gross negligence, or willful misconduct of the Member, or by the unsafe or defective condition of a location occupied by the Member.

In general, a Member is not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations solely because of Membership in the Cooperative. A Member may become liable to the Cooperative as provided in the Governing Documents or as otherwise agreed to by the Cooperative and the Member.

A Member agrees to provide prior express consent to the Cooperative using an automatic telephone dialing system, or an artificial or prerecorded voice, to address the Cooperative's Provision of a Cooperative Service or the Member's Use of a Cooperative Service.

ARTICLE I: MEMBERSHIP

Section 1: Eligibility

Subject to Section 11 of this Article (Consolidated Memberships), any person, firm, association corporation, or body politic or subdivision thereof will become a Member of the Cooperative, provided that he, she or it has first:

- A. made an application for Membership in such format as is provided by the Cooperative and has signed, either in writing or digitally indicated acceptance (in a form acceptable to the Cooperative) an agreement that sets forth the terms of Membership; and
- B. agreed to purchase from the Cooperative such goods or services as hereinafter specified; and
- C. agreed to comply with and be bound by the Articles of Consolidation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees ("Board"); and
- D. paid the Membership fee hereinafter specified.

No Member may hold more than one (1) Membership in the Cooperative, and no Membership in the Cooperative shall be transferable, except as provided in these Bylaws.

The goods or services provided as a Cooperative Service include, among other things: (1) a good or service unrelated to providing electric energy; (2) a good or service related to providing electric service energy; (3) a good or service related to distributed or renewable generation, including the wheeling of electric energy generated by a Member or emergency electric energy provided to the Member; or (4) the operation and maintenance of an electric system owned by another entity.

Section 2: Membership Record

Membership in the Cooperative shall be evidenced by a Membership record maintained by the Cooperative, which may be in writing or may be an electronic or digital record, and may not necessarily be a written document, which shall be in such form and shall contain such provisions as shall be determined by the Board. Subject to Section 11 of this Article, no Membership shall be granted or exist unless the Membership fee established pursuant to Section 5 of this Article has been fully paid. Each Member shall agree to:

- A. give the Cooperative all information requested by the Cooperative, including the Applicant's federal tax identification number; and complete any additional or supplemental documentation, contract, or action required by the Board for the Cooperative Service which the Applicant is using or requesting or agreeing to use; and

- B. provide and maintain a current mailing address and telephone number with the Cooperative; and
- C. comply with the governing documents; and
- D. ensure that Member Equipment connected to Cooperative Equipment, and any act or omission involving Member Equipment connected to Cooperative Equipment, complies with the Governing Documents; and
- E. pay the Cooperative for the Cooperative's damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the Member's failure to comply with the Governing Documents; and
- F. be a Member; and
- G. pay all prices, rates, or amounts determined by the Board, pursuant to the terms, conditions, time and manner specified by the Cooperative, and regardless of the amount or time billed, pay the Cooperative for: (1) Cooperative Services provided to the Applicant or provided to or for a location occupied by the Applicant; (2) dues, assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and (3) interest, late payment fees related to amounts owed, but not timely paid, to the Cooperative.

Except as required by law or otherwise provided in these Bylaws, the Cooperative will not release, disclose, or disseminate personally identifiable, proprietary, or confidential information regarding a Member.

Regardless of whether money damages are available or adequate, the Cooperative may: (1) bring and maintain a legal action to enjoin the Member from violating the Governing Documents; and (2) bring and maintain a legal action to order the Member to comply with the Governing Documents.

The "Governing Documents" are the Membership application in such format as determined by the Board wherein the Applicant agrees to all of the above, and the following documents and actions, all as currently existing or as later adopted or amended: (1) all laws regarding or affecting the Cooperative's property, property rights, and assets (Assets"), the Cooperative's operation, the Cooperative's Members and Patrons, the Provision and Use of Cooperative Services, Cooperative Equipment, and Member Equipment connected to Cooperative Equipment; (2) the Articles of Consolidation; (3) these Bylaws; (4) the Cooperative's service rules and regulations; (5) the Cooperative's rate or price schedules; and (6) all rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Board.

### Section 3: Joint Membership

Spouses may apply for a joint Membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such Membership. The term "Member" as used in these Bylaws shall be deemed to include spouses holding a joint Membership and any provisions related to the rights and liabilities of Membership shall apply equally with respect to the holders of a joint Membership. There shall be no joint Membership except between spouses. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint Membership shall be as follows:

- A. presence at a meeting of either or both spouses shall be regarded as the presence of one (1) and shall constitute a joint waiver of notice of the meeting;
- B. the vote of either separately or both jointly shall constitute one (1) joint vote;
- C. a waiver of notice signed by either or both shall constitute a joint waiver;
- D. notice to either shall constitute notice to both;
- E. expulsion of either shall terminate the joint Membership;
- F. withdrawal of either shall terminate the joint Membership;
- G. either but not both may be elected or appointed as an Officer or Trustee, provided that both meet the qualifications for such office.

### Section 4: Conversion of Membership

- A. A Membership may be converted to a joint Membership upon the written request of the holder thereof (such request may include email or other digital communication) and the agreement by such holder's spouse to comply with the Articles of Consolidation, Bylaws and rules and regulations adopted by the Board.
- B. Upon death of either spouse who is a party to the joint Membership, such Membership shall be held solely by the survivor. The estate of the deceased shall not be released from any debts due the Cooperative.

### Section 5: Membership Fees

The Membership fee shall be fixed by the Board from time to time, upon the payment of which a Member shall be entitled to all rights of a Member and shall be obligated to all Member obligations as set forth in these Bylaws and any other policies or rules adopted by the Cooperative.

## Section 6: Purchase of Goods or Services

Each Member shall pay a monthly fee for the ability to connect to the electric service to be provided at each meter held by such Member at an amount to be set by the Board, along with all other rates for the actual sale of electricity, and therefore shall pay at rates, which shall from time to time be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative and may be subject to both state and federal law and regulations. It is expressly understood that amounts paid for electric energy in excess of the cost of service, are furnished by Members as capital and each Member shall be credited with the capital so furnished as provided in these Bylaws. Each Member shall pay to the Cooperative such minimum amount regardless of the electric energy consumed, as shall be fixed by the Board from time to time. Each Member shall also pay all amounts owed by the Member to the Cooperative as and when the same shall become due and payable.

## Section 7: Member Bankruptcy

In the event any Member who owes funds to the Cooperative and who files a petition for protection under the Bankruptcy Laws of the United States, the Cooperative has the right to offset any deposit being held, and recoup any capital credit amounts that have been retired and not paid out, and to offset and recoup the debt for retired amounts that are retired post-petition and that are owed the debtor in any amount up to and including all amounts owed the Cooperative by the debtor/Member post-petition.

## Section 8: Provisions of Cooperative Service

A Member shall comply with any reasonable procedure required by the Cooperative regarding the provision of a Cooperative Service. Based upon different costs of providing a Cooperative Service to different groups of Members, the Cooperative may charge each group a different rate or price for providing the Cooperative Service.

- A. Interruption of Cooperative Service The Cooperative shall provide Cooperative Services to Members in a reasonable manner. The Cooperative, however, does not insure, guarantee, or warrant that it will provide adequate, continuous, or non-fluctuating electric energy or other Cooperative Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by the Cooperative providing inadequate, non-continuous, or fluctuating electric energy or other Cooperative Service, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct. The Cooperative's responsibility and liability for providing a Cooperative Service terminate upon delivery of the Cooperative Service to a Member. In case of an emergency, or as requested by government or emergency officials or representatives, the Cooperative may interrupt the provision of Cooperative Services to Members.
- B. Safe and Protected Operation of Cooperative A Member shall take or omit any act required by the Cooperative to safely, reliably, and efficiently operate the Cooperative and provide a Cooperative Service, which act involves:
  1. a location occupied by the Member and to or for which the Cooperative provides or will provide a Cooperative Service;
  2. real or personal property in which the Member possesses a legal or equitable right or interest ("Member Property");
  3. Cooperative equipment; or
  4. Member equipment connected to Cooperative equipment. As required by the Cooperative, a Member shall correct or remedy a violation of a safety, reliability, efficiency, or similar statute, regulation, ordinance, or other requirement relating to such connection. A Member shall: (a) protect Cooperative equipment and Member equipment connected to Cooperative equipment; and (b) install and maintain any protective device, and implement and follow any protective procedure, required by the Cooperative. As necessary to safely, reliably, and efficiently operate the Cooperative and provide a Cooperative Service, the Cooperative may temporarily suspend or terminate provision of a Cooperative Service. A Member shall not tamper with, alter, interfere with, damage, or impair Cooperative equipment. Except as otherwise provided by the Board, the Cooperative owns all Cooperative equipment.
- C. Member Equipment Connected to Cooperative Equipment Except as otherwise provided by the Board, before Member equipment is connected to Cooperative equipment, the Cooperative must approve the connection in writing. Before and while Member equipment is connected to Cooperative equipment, the Member:
  1. shall comply with, and shall ensure that the Member equipment, the connection, and any act or omission regarding the Member equipment and the connection comply with the Governing Documents, including terms, conditions, requirements, and procedures required by the Cooperative regarding the Member equipment and the connection; and
  2. shall ensure that the Member equipment and the connection do not adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative Service; and

3. grants the Cooperative the right to inspect the Member equipment and the connection to determine whether the Member equipment and connection comply with the Governing Documents; and
  4. grants the Cooperative the right to disconnect or temporarily operate Member equipment that does not comply with the Governing Documents or that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative Service; and
  5. shall pay the Cooperative for income not received or accrued because of the connection.
- D. Suspension or Termination of Cooperative Service After providing a Member reasonable notice and an opportunity to comment orally or in writing, the Cooperative may suspend or terminate the provision of a Cooperative Service to the Member for a suspension reason. Without providing a Member notice or an opportunity to comment, the Cooperative may suspend or terminate the provision of a Cooperative Service to the Member upon determining or discovering:
1. that Cooperative equipment used to provide the Cooperative Service has been tampered with, altered, interfered with, damaged, or impaired;
  2. that Member equipment connected to Cooperative equipment adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or provide a Cooperative Service;
  3. the unsafe condition of Cooperative equipment or Member equipment connected to Cooperative equipment;
  4. an imminent hazard or danger posed by Cooperative equipment or Member equipment connected to Cooperative equipment.
- E. Usage Information Cooperative may use Cooperative equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of electric energy used by a Member, and other data or information regarding the Member's use of electric energy, collectively "Usage Information." Cooperative may disclose, and transfer Usage Information if reasonably related to protecting against, or responding to death, personal injury, or property damage, or after receipt of valid release, or pursuant to a Court Order or Subpoena.
- F. Grant of Property Rights As required by the Cooperative for a Cooperative Purpose, a Member shall:
1. provide the Cooperative safe and reliable access to or use of Member property; and
  2. pursuant to the terms and condition specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written easement, right-of-way, license, or other right or interest in Member property, and execute a document regarding this grant or conveyance.
  3. A "Cooperative Purpose" is at any time, and in a manner determined by the Cooperative:
    - a. Purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative equipment or Member equipment connected to Cooperative equipment;
    - b. Through physical, chemical, herbicide, or other means, clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation;
    - c. Providing a Cooperative Service to a Member or one or more other Members;
    - d. Monitoring, measuring, or maintaining a Cooperative Service provided to a Member or one or more other Members;
    - e. Providing electric energy to a person or one or more other persons;
    - f. Monitoring, measuring, or maintaining electric energy provided to a person or one or more other persons;
    - g. Authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative equipment; or
    - h. Safely, reliably, and efficiently operating the Cooperative or providing a Cooperative Service.

## Section 9: Termination of Membership

- A. Any Member may withdraw from Membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the Members of the Board, expel any Member who fails to comply with any of the provisions of the Articles of Consolidation, Bylaws, or rules or regulations adopted by the Board, but only if such Member shall have been given written notice by the Cooperative that such failure makes the Member liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled Member may be reinstated by special meeting.
- B. Upon the withdrawal, death, cessation of existence or expulsion of a Member the Membership of such Member shall thereupon terminate. Termination of Membership in any manner shall not release a Member or the Member's estate from any debts due the Cooperative. When a Membership is held jointly by a married couple, 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 has been originally issued solely to the survivor, provided, however, that the estate of the deceased shall not be released from any Membership debts or liabilities to the Cooperative.
- C. In case of withdrawal or termination of Membership in any manner the Cooperative shall repay to the Member the amount of the Membership fee paid by the Member, provided, however, that the Cooperative shall deduct from the amount of the Membership fee the amount of any debts or obligations owed by the Member to the Cooperative.

## Section 10: Membership

By receiving Cooperative Service from the Cooperative, each patron doing so has submitted to the obligations and requirements of these Bylaws as a term of the application for service. Membership is not required, but is encouraged, as Membership is the lifeblood of a cooperative organization. In the event any patron receives Cooperative Services from the Cooperative without being a Member, at the discretion of the Board, the Cooperative may furnish such patron with a Membership retroactive to the date such goods or services were first furnished or to any other date selected by the Board and the books and records of the Cooperative, to the extent practicable, shall be revised to reflect such Membership.

## Section 11: Suspension and Reinstatement of Membership

Upon a Member's failure, after the expiration of a time limit prescribed either in a specific notice to the Member or in the Cooperative's rules and regulations, to pay any amounts due to the Cooperative or to cease any other noncompliance with Membership obligation, that Member's Membership shall automatically be suspended and, during such suspension, the Member shall not be entitled to receive Cooperative Services from the Cooperative or to cast a vote at any meeting of Members. Payment of all amounts due to the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with Membership obligations within the time limit provided in such notice or in such rules and regulations, shall automatically reinstate the Membership, and the Member shall thereafter be entitled to receive Cooperative Service from the Cooperative and to vote at meetings of Members.

## ARTICLE II: RIGHTS AND LIABILITIES OF MEMBERS

### Section 1: Property Interest of Members

Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid and all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the Members and former Members in the proportion which the aggregate patronage of each bears to the total patronage of all Members during the seven (7) years preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

### Section 2: Non-Liability for Debts of the Cooperative

The private property of the Members shall be exempt from execution or other liability for debts of the Cooperative and no Member shall be liable or responsible for any debts or liabilities of the Cooperative.

## ARTICLE III: MEETING OF MEMBERS

### Section 1: Annual Meeting

An annual meeting of the Members shall be held each calendar year at such place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, including reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture of or dissolution of the Cooperative.

## Section 2: Special Meetings

Special meetings of the members may be called by resolution of the Board, by a written request signed by any three (3) Trustees, by the President, or ten per centum (10%) or more of all the Members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Members may be held by conference call or held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

## Section 3: Notice of Members' Meetings

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered no less than ten (10) days nor more than thirty-five (35) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary by the persons calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the Member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any Member to receive notice of an annual or special meeting of the Members shall not invalidate any action which may be taken by the Members at any such meeting.

## Section 4: Quorum

Fifty (50) Members present in person or by proxy (as provided in the last sentence of Section 6 of this Article) shall constitute a quorum except as otherwise provided in these Bylaws. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting without further notice.

## Section 5: Voting

Each Member shall be entitled to only one (1) vote as to each matter submitted to a vote at meeting of the Members. All questions shall be decided by a vote of a majority of the Members voting thereon in person except as otherwise provided by law, the Articles of Consolidation or these Bylaws.

## Section 6: Proxies

At all meetings of Members, a Member may vote by proxy executed in writing by the Member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be voted at any meeting of the Members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No Member shall vote as proxy for more than three (3) Members at any meeting of the Members. No proxy shall be valid after sixty (60) days from the date of its execution. The presence of a Member at a meeting of the Members shall revoke a proxy heretofore executed by the Member and such Member shall be entitled to vote at such meeting in the same manner and with the same effect as if the Member had not executed a proxy. In case of a joint Membership, a proxy may be executed by either spouse. The presence of either spouse at a meeting of the Members shall revoke a proxy theretofore executed by either of them and such joint Member or Members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed. Notwithstanding the foregoing provisions of the Section 6, whenever a Member is absent from a meeting of the Members but whose spouse attends such meeting, the spouse shall be deemed to hold and may exercise and vote if present in person, unless some other qualified person holds such proxy in writing.

## Section 7: Order of Business

The order of business at the annual meeting of the Members and, so far as possible, at all other meetings of the Members, shall be essentially as follows, except as otherwise determined by the Members at such meeting:

- A. Report on the number of Members present in person in order to determine the existence of a quorum.
- B. Reading of the notice of the meeting and proof of the due publication or mailing therefore, or the waiver or waivers of notice of the meeting, as the case may be.
- C. Approval of minutes of previous meetings of the Members and the taking of necessary action thereon.
- D. Presentation and consideration of reports of Officers, Trustees and committees.
- E. New business.
- F. Adjournment.

## ARTICLE IV: TRUSTEES

### Section 1: General Powers

As provided in the Articles of Consolidation, the business and affairs of the Cooperative shall be managed by the Board of no less than seven (7), and no more than fourteen (14) Members, such number of Members to be determined by the Board in the Board's discretion, referred to as a Board of Trustees, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Consolidation or these Bylaws conferred upon or reserved to the Members.

## Section 2: Election and Tenure of Office

The election and tenure of Trustees is subject to special provisions in the Articles of Consolidation. The persons named as Trustees in the Articles of Consolidation shall compose the Board until certain subsequent elections have been conducted, their successors shall have been elected and shall have qualified. An election shall be held within the District and by Members in that district for Trustees who are candidates to represent that District. Certain Trustees shall be elected each annual meeting of Members to service for three (3) year terms from districts as hereinafter provided. Members of the Board shall serve until the annual meeting of Members occurring nearest the end of their respective terms and until their respective successors have been elected and shall have qualified. Members of the Board shall be elected by a mail-in ballot. Trustees may be elected by a plurality vote of the Members from the district for which the election is held.

## Section 3: Qualifications

No person shall be eligible to become or remain a Trustee of the Cooperative who:

- A. Is not a Member, or is a Member who is not in good standing pursuant to the provisions for Members as set forth in Article I of these Bylaws;
- B. Is not an individual (natural person) who is a member;
- C. Is in any way employed or financially interested in a competing enterprise or business that sells electric energy, items, materials, or products that can be used to create electric energy, or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, services, or supplies to the Members of the Cooperative (this specifically does not include a Member who installs renewable energy electric generation individually on his or her own property and is inter-connected with the Cooperative's transmission lines);
- D. Has equipment connected to Cooperative Equipment and has an agreement through which electricity is sold to the Cooperative;
- E. Is not a resident of the district they would otherwise represent (for purposes of this section, "resident" means that they have lived in the district for a minimum of at least three years prior to the election, and that their address during said 3-year time-period in Kansas within the district is such person's primary address and has been for such three-year period, and that such person is receiving electricity from the Cooperative at this residence);
- F. Is a current employee of the Cooperative, or a Member of the family of a current employee of the Cooperative (for purposes of this section, "Member of the family" shall mean a spouse, father, mother, son, daughter, step-son or daughter, or any lineal descendant of a current employee);
- G. Has been an employee of the Cooperative within three years prior to the election, or is a Member of the family of a person who has been an employee of the Cooperative within three years prior to the election as "Member of the family" is defined in section "E" above; or
- H. Is a Member of the family of a current Trustee (incumbent) who is not up for election, as "Member of the family" is defined in section "E" above.

Upon establishment of the fact that a Trustee is holding the office in violation of any of the foregoing provisions, the Board shall remove such Trustee from the office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

## Section 4: Voting Districts

The Cooperative shall be divided into districts, no less than three (3) and no more than seven (7) which shall be established by the Board. On or before the first day of October each year, if the Board should find any inequities (10% larger or smaller) in representation due to the territory served, number of Members, community or government organization or any other pertinent factor which could be corrected by redefinition of districts, the Board shall reconstitute the districts.

## Section 5: Petition Requirement

On or before the 1<sup>st</sup> day of the month that is three (3) full months prior to the month in which the annual meeting is to be held, notice shall be provided to the Members of each District for which there is to be an election as the result of an incumbent Trustee's three-year term being concluded. Such notice shall recite the qualifications necessary to serve as Trustee and of the following:

To be placed on the ballot for the election of Trustees, a petition containing the signatures of at least 20 Members of the Cooperative who live in the District for which the election is being held, approving the nomination of the individual Member to be placed on the ballot, must be delivered to the office of the Cooperative at either Lebo, Kansas or Fredonia, Kansas prior to the last day of the month that is three (3) full months prior to the month in which the Annual Meeting has been scheduled.

## Section 6: Election of Trustees

The election of Trustees shall be by District, and by mail-in ballot (or electronically if the Board so approves). Only those nominees nominated by petition shall appear on the ballot. The ballot shall list the name(s) nominated by petition in the order received. Failure of strict compliance with the provisions of this section shall not affect the validity of any election of a Trustee.

The Secretary shall be responsible to see that ballots are mailed (or send out the ballots electronically if a policy is developed to proceed with electronic ballots) to the respective Members in the Districts for which an election is taking place on or before the 20<sup>th</sup> day of the month following the receipt of all petitions. Only the names of the nominees for such District shall be on the ballot. Returned and completed ballots must be postmarked or received at the primary office of the Cooperative, on or before the 20<sup>th</sup> day of the month prior to the month in which the annual meeting is scheduled.

Each year the General Counsel for the Cooperative shall appoint a Teller Committee, whose function is to count and verify the ballots for the election of Trustees. The Teller Committee shall consist of not less than three (3) nor more than seven (7) Members. No current Trustee shall serve on the Teller Committee. The General Counsel or his or her designee shall serve as the chairperson of the Teller Committee and shall verify the final count of the election. The Teller Committee shall meet on a date to be scheduled between the 25<sup>th</sup> day of the month in which the ballots are to be received and five (5) days prior to the date of the annual meeting.

In the event of a tie for any Trustee position, the election shall be resolved by a coin-flip by the General Counsel for the Cooperative or his or her designee. The parties who have tied for the election may be present, if either so desires, after having been notified of the tie.

The results of the election shall be announced at the Annual Meeting and published in the Cooperative's magazine or otherwise communicated to the Members.

The effective date for the term of the newly elected Trustees shall begin immediately after the conclusion of the cooperative's Annual Meeting.

## Section 7: Candidacy

All candidates filing a petition to be placed on the ballot for the election of Trustees shall disclose in writing to the General Manager at the primary office of the Cooperative the following: If such candidate represents any specific organization for the purpose of their candidacy, and if so, the name of such organization.

- A. If such candidate has received or has been promised any funds or anything of value from any person, organization or entity in support of the individual running for such position, and if so, the amount that has been received by or promised to such candidate in return for such individual's candidacy, regardless of the actual purpose of such funds or property, such as marketing or advertising.
- B. If such candidate is responsible for making a report of such information to the General Manager pursuant to this requirement, and this obligation exists at the time of filing a petition for them to be placed on the ballot for the election of Trustees, such information shall be provided in writing along with the Petition. If the obligation to provide such information arises after the Petition be placed on the ballot has been filed, then such information shall be provided to the General Manager of the Cooperative within three (3) days of the receipt of such funds or property, or within three (3) days of the promise being entered into for the receipt of funds or property.
- C. The Cooperative shall retain the right to disclose all of this information to the Members in writing prior to the election for which the petition to be placed on the ballot has been filed, by mail, electronic means, or in person.

## Section 8: Removal of Trustee

Any Member may bring charges against a Trustee for cause reasonably related to the duties of the office, and by filing with the Secretary such charges stated with specificity in writing together with a petition signed by at least ten per centum (10%) of the Members or 300, whichever is the lesser, by request the removal of such Trustee by reason thereof. Such Trustee shall be informed in writing of the charges at least ten (10) days prior to the meeting of the Members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such Trustee shall be considered and voted upon at the meeting of the Members and any vacancy created by such removal may be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nominations.

## Section 9: Vacancies

Subject to the provisions of these Bylaws and such policies as the Board may have in place, with respect to the filling of vacancies caused by the removal of Trustees by the Members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Trustees for the unexpired portion of the term.

## Section 10: Compensation

Trustees shall not receive any salary for their services as such, except that the Board may by resolution authorize a reasonable fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Trustees may also be reimbursed for expenses actually and necessarily incurred in carrying out such as Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. A Trustee may receive a reasonable fixed sum together with reimbursement of expense or a per diem allowance for expenses for duly authorized function as an Officer of the Cooperative. No Trustee nor any close relative of a Trustee shall receive compensation for serving the Cooperative in any other capacity, unless the payment and amount of compensation shall be specifically authorized by a vote of the Members or the service by the Trustee or his or her close relative shall have been certified by the Board as an emergency measure.

## ARTICLE V: MEETINGS OF TRUSTEES

### Section 1: Regular Meetings

A regular meeting of the Board shall also be held no less than six (6) times per year at such time and place within one of the counties served by the Cooperative as designated by the Board. Such meetings may be held without notice other than such resolution fixing the time and place thereof.

### Section 2: Special Meetings

Special meetings of the Board may be called by the President or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Trustees calling the meeting shall fix the time and place for the holding of the meetings.

### Section 3: Notice of Board Meetings

Written or electronic (email) notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Trustee either personally, at least three (3) days before the date of the meeting, or by mail, at least five (5) days before the date of the meeting, or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustee calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. In the event of an agreement of the Board to do so, waiver of notice in writing shall be sufficient to override the provisions of this section.

### Section 4: Quorum

A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Trustees of the time and place of such adjourned meeting. The act of a majority of Trustees present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by these Bylaws.

### Section 5: Conduct of Board Meetings

Except as otherwise provided in these Bylaws, a Regular Board Meeting or Special Board Meeting ("Board Meeting") may be:

- A. held in, or out of, a state in which the Cooperative Provides a Cooperative Service; and
- B. conducted with absent Trustees participating, and deemed present in person, through any means of communication by which all Trustees participating in the Board Meeting may simultaneously hear each other during the Board Meeting.

If a Trustee Quorum is present at a Board Meeting, then:

- C. in descending priority, the following Officers may preside at the Board Meeting: President, Vice-President, Secretary, and Treasurer; and
- D. if no Officer is present or desires to preside at a Board Meeting, then the Trustees attending the Board Meeting must elect a Trustee to preside over the Board Meeting.

The Board may promulgate or approve rules, policies, and procedures regarding:

- E. attendance at, participation in, or presentation during Board Meetings by Persons other than Trustees;
- F. the right to access, inspect, or copy minutes, records, or other documents relating to a Board Meeting by Persons other than Trustees; or
- G. the conduct of Board Meetings.

Except as otherwise provided by the Board, Members may attend Board Meetings, with the exception of Executive Sessions, and non-Members may not attend Board Meetings without approval from the Board.

#### Section 6: Trustee Conduct

In general:

- A. Trustee Standard of Conduct A Trustee shall discharge the Trustee's duties, including duties as a Board Committee member by:
  - 1. following all passed and existing Board policies;
  - 2. acting in good faith in all matters;
  - 3. acting in a manner the Trustee reasonably believes to be in the Cooperative's best interests;
  - 4. becoming informed in connection with the Trustee's decision-making function or devoting attention to the Trustee's oversight function, with the care that an individual in a like position would reasonably believe appropriate under similar circumstances; and
  - 5. disclosing or causing to be disclosed information that is appropriate to be disclosed to Members, and by disclosing information that is appropriate to be disclosed to Trustees or Board Committee members information not known by them, but known by the Trustee to be material to discharging their decision-making or oversight functions. Disclosure is prohibited to be made to Members to the extent that the Trustee reasonably believes that disclosure would violate a duty imposed under law, or a legally enforceable obligation of confidentiality extending from an executive session of the Board, or a professional ethics rule.
- B. Trustee Reliance on Others Unless a Trustee has knowledge making reliance unwarranted, then in discharging the Trustee's duties, including duties as a Board Committee member, the Trustee may rely: (1) on the performance by any of the following individuals listed in Section (B) to whom the Board has formally or informally delegated the authority or duty to perform one or more of the Board's delegable functions; and (2) upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the following individuals:
  - 1. one or more Cooperative Officers or employees whom the Trustee reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;
  - 2. legal counsel, public accountants, or other individuals retained by the Cooperative regarding matters involving skills or expertise the Trustee reasonably believes are matters within the individual's professional or expert competence and as to which the individual merits confidence; and
  - 3. a Board Committee of which the Trustee is not a member if the Trustee reasonably believes the Board Committee merits confidence.

### ARTICLE VI: OFFICERS

#### Section 1: Number

The Officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other Officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

#### Section 2: Election and Term of Office

The Officers shall be elected annually by and from the Board at the next regularly scheduled meeting of the Board following the annual meeting of the Members. Each Officer shall hold his or her office until his or her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

### Section 3: Removal of Trustees, Officers and Agents by the Board

Any Trustee, Officer or agent elected by the Members or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. The Trustee and/or Officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. In the event the Board does not remove such Officer, the question of his or her removal shall be considered and voted upon at the next meeting of the Members.

### Section 4: President

The President shall:

- A. be the principal executive Officer of the Cooperative and, unless otherwise determined by the Board, shall preside at all meetings of the Board; and
- B. sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- C. in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

### Section 5: Vice President

In the absence of the President or in the event of his or her inability to act, the Vice President shall perform the duties of the President, and so acting shall have all the powers of, and be subject to all the restriction upon, the President. The Vice President shall also perform such other duties as from time to time may be assigned by the Board.

### Section 6: Secretary

The Secretary shall be responsible for and see that these matters are carried out:

- A. keeping the minutes of the meetings of the Members and of the Board in books provided for that purpose; and
- B. seeing that all notices are duly given in accordance with these Bylaws or as required by law; and
- C. safekeeping the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all required documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws; and
- D. keeping a register of the names and post office addresses of all Members; and
- E. signing, with the President, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- F. keeping on file at all times a complete copy of the Articles of Consolidation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any Member) at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any Member; and
- G. in general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board.

### Section 7: Treasurer

The Treasurer shall be responsible for and see that these matters are carried out:

- A. custody of all funds and securities of the Cooperative; and
- B. the receipt of the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- C. the general performances of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

#### Section 8: General Manager/Chief Executive Officer

The Board may employ a General Manager/Chief Executive Officer (CEO) who may be, but who shall not be required to be, a Member of the Cooperative. The CEO shall perform duties and shall exercise such authority as assigned by the Board.

#### Section 9: Protection of Officers

The Treasurer and any other Officer or agent of the Cooperative charged with such responsibility for the custody of any of its funds or property shall be covered with insurance as the Board shall determine appropriate. The Board in its discretion may also require any other Officer, agent, or employee of the Cooperative to be insured in such amount as it shall determine.

#### Section 10: Compensation

The powers, duties and compensation of the CEO, Officers, agents of the Board of Directors, and General Counsel shall be fixed by the Board subject to the provisions of these Bylaws.

#### Section 11: Reports

The Officers of the Cooperative shall submit at each annual meeting of the Members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

### ARTICLE VII: NON-PROFIT OPERATION

#### Section 1: Interest of Dividends on Capital Prohibited

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

#### Section 2: Patronage Capital in Connection with Furnishing Cooperative Services

- A. In the furnishing of Cooperative Services, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Cooperative Services:
  1. in excess of the sum of operative costs and expenses properly chargeable against the furnishing of Cooperative Services, and
  2. amounts required to offset any losses incurred during the current or any prior fiscal year. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amount for the capital.
- B. At the discretion of the Board, any or all non-operating margins may be allocated to a reserve for contingent losses for the purpose of having funds to utilize in the event of significant damages to the Cooperative's plant due to storms, fires, or other similar incidents or for any other unplanned occurrences.
- C. All other amounts received by the Cooperative from its operations in excess of costs and expense shall, insofar as permitted by law, be:
  1. used to offset any losses incurred during the current or any prior fiscal year, and;
  2. to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.
- D. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority or a pro rata basis before any payments are made on account of property rights of Members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The Board shall determine the method, basis, priority and order of retirement, if any, for all amounts therefore and hereafter furnished as capital.

- E. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.
- F. Notwithstanding any other provision of these Bylaws, the Board at its discretion, shall have the power to retire capital credits, however, that the financial condition of the Cooperative will not be impaired. The Board shall have the power at any time upon the death of a Patron, if the legal representative of the Patron's estate requests in writing, to retire the capital credited to that Patron immediately. The amount of capital credits allocated to the deceased Patron shall be discounted to present value so as to be retired on an equitable basis with all the retirement of all other Patrons. The dissolution of a partnership or corporation shall not be considered as the death of a Patron.
- G. Whenever a Patron no longer receives services from the Cooperative and is delinquent in the payment of the Patron's inactive account, the Board, in its discretion shall have the power to retire capital credits allocated to such Patron's account and apply them to the delinquent balance. The amount of capital credits allocated to the Patron's account shall be discounted to present value so as to be retired on an equitable basis with the retirement of capital credits for all other Patrons. The portion of capital credit, if any, that is not necessary to satisfy the delinquent account shall remain in the Patron's capital credit account and be distributed as otherwise set forth in these Bylaws.
- H. All persons to whom capital credits have been allocated shall keep the Cooperative informed of their current mailing address and the Cooperative shall be obligated to pay each Member or former Member their share of the capital if so retired in accordance with these Bylaws by either:
  - 1. applying the capital credit as a credit to a current Member's account; or
  - 2. issuing checks and mailing same to such Members and former Members at their last known address as shown in the records of the Cooperative; provided, however, that no check shall be issued or mailed to any Member or former Member whose mailed check for a previous year was returned unclaimed, unless a true and correct address is furnished the Cooperative. All amounts represented by checks which are unclaimed or uncashed at the end of three (3) years from the date of the mailing of such checks, shall be deemed a contribution to the capital of the Cooperative.
- I. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Consolidation, Bylaws, and all pertinent rules, regulations, policies and laws pertaining thereto, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patron are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this paragraph of the Bylaws shall be called to the attentions of each patron of the Cooperative by having this stated in Bold Print in the application for service that is signed at the time service is requested.

### Section 3: Application of Patronage Capital to Debts Due Cooperative and to Membership Fees

Notwithstanding any other provisions in this Article VII, at the discretion of the Board, the Cooperative shall be entitled to apply the credits in the capital account of any patron to debts due the Cooperative from such patron and to the payment of a Membership fee for any patron if such fee has not previously been paid.

## ARTICLE VIII: DISPOSITION OF PROPERTY

### Section 1: Restrictions of Disposition

The Cooperative may not sell, lease, mortgage, encumber or otherwise dispose of all or any substantial portion of the electric transmission and distribution system (substantial portion shall be defined as more than 20% of said transmission and distribution system or "plant") unless such sale, lease, mortgage, encumbrance, or other disposition is authorized at a meeting of the Members thereof by the affirmative vote of, and with a quorum for purposes of such vote of, not less than a majority of all of the Members of the Cooperative, unless the notice of such proposed sale, lease mortgage, encumbrance or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the Members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative.

### Section 2: Appraisal

Notwithstanding any other provisions of these Bylaws, no sale, lease or other disposition of all or any substantial portion of the electric transmission and distribution system of the Cooperative to any other entity shall be authorized except in accordance with this section:

- A. If the Board preliminarily approves any such sale, lease or other disposition, it shall cause one (1) independent appraiser, expert in such matters, to give an opinion as to the value to the Cooperative of such proposed sale, lease or other disposition and as to any terms and conditions in addition to value to the Cooperative of such proposed sale, lease or other disposition and as to any terms and conditions in addition to value which should be considered. Such appraiser shall be designated by a judge of the District Court in any county served by the Cooperative to be selected by the Board.
- B. After receiving such appraisal and any other terms and conditions, if the Board determines that such proposal should be submitted to the Members for consideration, it shall first give every Kansas electric cooperative adjacent to the Cooperative (which has not made such proposal) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives with a copy of such proposal and the reports of the appraisers attached inviting such cooperatives to submit competing proposals within sixty (60) days.
- C. After giving such adjacent electric cooperatives such opportunity to submit competing proposals, the Board may determine that some or all of such competing proposals should also be submitted to the Members for consideration and it shall call a special meeting of the Members for the purpose of considering such proposals, or the Board may determine that such proposals should be considered at the next annual meeting of the Members. The notice of such consideration at such special or annual meeting shall express such proposals in detail and shall be given not less than ninety (90) days nor more than one hundred five (105) days before the date of the meeting.
- D. Upon the petition of any fifty (50) or more Members to the Board not less than thirty-five (35) days before the date of such special or annual meeting, the Board, at the cost of the Cooperative, shall cause notice expressing any alternative or opposing position or proposals to be mailed to the Members.

### Section 3: Merger or Consolidation

The provisions of this Article VIII shall not apply to any sale, lease or other disposition to another Kansas electric cooperative if the legal or substantive effect of such sale, lease or other disposition is a merger or consolidation pursuant to the act under which the Cooperative is incorporated.

## ARTICLE IX: DISSOLUTION

The Cooperative may not be dissolved unless dissolution is approved at a meeting of the Members thereof by the affirmative vote of, and with a quorum for purposes of such vote of, not less than a majority of all of the Members of the Cooperative.

## ARTICLE X: SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal."

## ARTICLE XI: FINANCIAL TRANSACTIONS

### Section 1: Contracts

Except as otherwise provided in these Bylaws, the Board may authorize any Officer or Officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

### Section 2: Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such office or Officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

### Section 3: Deposits

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as selected by the Board.

### Section 4: Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## ARTICLE XII: MISCELLANEOUS

### Section 1: Membership in Other Organizations

The Cooperative shall be authorized to become a member in or acquire a stock ownership in a "for-profit" entity under Kansas law for the purpose of providing additional service and otherwise furthering the benefit to the Cooperative's patrons. The Cooperative may upon the authorization of the Board, purchase stock in or become a member of any corporation or organization organized on non-profit basis.

### Section 2: Notice and Communication

In these Bylaws:

- A. Notice and Communication Type Except as otherwise provided in these Bylaws, a notice or communication may be: (1) oral or written or *Electronic*; and (2) communicated: (A) in person; (B) by telephone, telegraph, teletype, facsimile, *Electronic communication or transmission*, or other form of wire or wireless communication; (C) by mail or private carrier; or (D) if the above-listed forms of communicating are impractical, then by newspaper of general circulation in the area where published, or radio, television, or other form of public broadcast communication.

If addressed or delivered or transmitted to an address shown in the Membership List or Cooperative records, then a written Electronic notice, communication, or report delivered or transmitted as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written or Electronic notice, communication, or report to all Members: (1) residing at the address; or (2) having the same address shown in the Membership List or Cooperative records.

- B. Notice and Communication Effective Date Except as otherwise provided in these Bylaws:

1. an oral notice or communication is effective when communicated, if communicated in a comprehensible manner; and
2. a written notice or communication is effective upon the earliest of: (a) when received; (b) with the postmark evidencing deposit in the United States Mail, and if correctly addressed and mailed with first class postage affixed, then five (5) days after deposit in the United States Mail, or if correctly addressed and mailed with other than first class, registered, or certified postage affixed, then thirty (30) days after deposit in the United States Mail; or (c) if sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt.
3. A written notice or communication is correctly addressed to a Member if addressed to the Member's address shown in the Membership List

### Section 3: Waiver of Notice

Any Member or Trustee may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a Member or Trustee at any meeting shall constitute a waiver of notice of such meeting by such Member or Trustee, except in case a Member or Trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

### Section 4: Policies, Rules and Regulations

The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Consolidation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

### Section 5: Accounting System and Reports

The Board shall cause to be established and maintained a complete accounting system which, among other things, is subject to applicable laws and rules and regulations of any regulatory body. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. A report of audited financial statements may be submitted to the Members at the next following annual meeting.

### Section 6: Area Coverage

The Board shall make a diligent effort to see that electrical service is extended to all unserved persons within the Cooperative's service area who:

- A. desire such service; and
- B. meet all reasonable requirements established by the Cooperative as a condition of such service.

## Section 7: Electronic Documents and Actions

If a Member or Trustee owns, controls, or has reasonable access to the applicable or necessary hardware and software, then, regardless of a contrary Bylaw, as determined by the Board, and as allowed by Law:

- A. the Member [or Trustee] consents and agrees to: (1) use, accept, send, receive, and transmit an Electronic signature, contract, record, notice, vote, communication, comment, and other document regarding an action, transaction, business, meeting, or activity with, for, or involving the Cooperative ("Electronic Document"); (2) Electronically conduct an action, transaction, business, meeting, or activity with, for, or involving the Cooperative; and (3) Electronically give or confirm this consent and agreement;
- B. an Electronic Document sent or transmitted to, or received or transmitted from, the Member or Trustee satisfies a requirement imposed by the Governing Documents that the underlying signature, contract, record, notice, vote, communication, comment, or other document be in writing;
- C. Electronically sending or transmitting an Electronic Document to, or receiving or transmitting an Electronic Document from, the Member or Trustee satisfies a requirement imposed by the Governing Documents that the underlying signature, contract, record, notice, vote, communication, comment, or other document be sent or received personally or by mail; and
- D. the Member or Trustee Electronically taking an action provided in these Bylaws satisfies a requirement imposed by the Governing Documents regarding the form or manner of taking the action.

Except as otherwise provided in these Bylaws, an Electronic Document Electronically sent or transmitted to a Member or Trustee or former Member at the Member or Trustee or former Member's last known Electronic address is considered sent, received, transmitted, and effective on the date sent by the Cooperative. An Electronic Document Electronically received or transmitted from a Member or Trustee or former Member is considered sent, received, transmitted, and effective on the date received by the Cooperative.

As used in these Bylaws, subject to the context requiring otherwise, and as determined by the Board:

- A. "Electronic" and "Electronically" mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- B. To sign an Electronic Document means, with present intent to authenticate or adopt the Electronic Document, to attach to, or logically associate with, the Electronic Document an Electronic sound, symbol, or process; and
- C. Electronic transmission includes transmission through: (1) Electronic mail; (2) the Cooperative's website; or (3) a website or information processing system that the Cooperative has designated or uses to send, receive, or transmit Electronic Documents or Electronic information, or to Electronically conduct an action, transaction, business, meeting, or activity.

## ARTICLE XIII: INDEMNITY OF TRUSTEES AND OFFICERS

### Section 1: Indemnity

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party, or against whom a claim is made which may result in that person becoming a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Trustee or Officer of the Cooperative, or is or was serving at the request of the Cooperative as a Trustee or Officer of another cooperative, corporation, partnership, joint venture, trust or other enterprise, against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such claim, action, suit or proceeding, including attorneys' fees, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Cooperative and if he or she did not act with gross negligence and was not guilty of willful misconduct; and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Cooperative, nor that the person acted with gross negligence or was guilty of willful misconduct, nor with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

### Section 2: Authorization of Indemnity

Any indemnification under Section 1 of this Article shall be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of the Trustee or Officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1. Such determination shall be made:

- A. by the Board by a majority vote of a quorum consisting of Trustees who are not parties to such action, suit or proceeding, nor against whom such claim was made; or

- B. if such quorum is not obtainable, or even if obtainable and a quorum of disinterested Trustees so directs, by legal counsel who is independent of the Trustee or Officer in a written opinion given at the expense of the Cooperative; or
- C. by the Members.

### Section 3: Advance of Expenses

Expense incurred in defending such a claim or such a threatened, pending or completed civil action, suite or proceeding shall be paid by the Cooperative advance of the final disposition of claim, action, suit or proceeding as authorized in the specific case in the same manner as indemnity is authorized in Section 2 including a preliminary determination that indemnification is likely and upon receipt of an undertaking by or on behalf of the Trustee or Officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Cooperative as authorized in this Article.

### Section 4: Nonexclusive Rights

The indemnification provided by this Article shall not be deemed to restrict the power of the Cooperative to make any other lawful indemnification nor shall it be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law including, but not limited to, any Bylaw, agreement, vote of Members or disinterested Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee or Officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

## ARTICLE XIV: AMENDMENTS

### Section 1: Legal Requirement

If there is a change in governing law that affects the Cooperative and/or its operations, by the passage of a law or binding regulation by state or federal bodies, the Board has authority to amend the Bylaws to bring the Cooperative into compliance with such laws or regulations.

### Section 2: Emergency Bylaws

The Board of Directors, in order to ensure continuity of operations and promote the health, safety, and welfare of the members, may adopt emergency By-Laws altering, amending or repealing the By-Laws of the corporation, on a temporary basis, during any period of emergency resulting from enemy attack, terrorism, disease, accident, or other natural or man-made disaster. Unless repealed earlier, an emergency By-Law shall expire as of the adjournment of the annual meeting of the members next succeeding the emergency By-Law's adoption.

### Section 3: Bylaw Amendment

Except as otherwise provided in these Bylaws, these Bylaws may be adopted, amended, or repealed ("Amended") only by the vote of a majority of Members voting. Except as otherwise provided in a Bylaw Amendment, the Amendment is effective immediately the day after the vote approving the Amendment. The Cooperative must notify Members of Amended Bylaws.

- A. Sponsorship of Bylaw Amendment The Board may sponsor or propose a Bylaw Amendment at any regularly scheduled meeting of the Trustees. Members may also sponsor or propose a Bylaw Amendment. To be considered, such proposed Bylaw Amendment being proposed by Members must be:
  - 1. sponsored by, and accompanied by a dated petition containing the printed names, addresses, and original dated signatures obtained within sixty (60) days of the petition date, of at least fifty (50) Members entitled to vote on the Bylaw Amendment;
  - 2. delivered to, and received by, the Cooperative at least 60 business days before the Member Meeting at which the Members will consider the proposed Bylaw Amendment;
  - 3. after review by the Board, determined lawful; and
  - 4. not altered or modified after delivery to the Cooperative.
- B. Notice of Bylaw Amendment Notice of a Member Meeting at which Members will consider a proposed Bylaw Amendment must: (1) state that the purpose, or one of the purposes, of the Member Meeting is to consider the proposed Bylaw Amendment; and (2) contain, or be accompanied by, a copy or summary of the proposed Bylaw Amendment. After notice of a proposed Bylaw Amendment, the proposed Bylaw Amendment may not be amended to increase the Amendment or to propose a new Amendment. If Members may vote on a proposed Bylaw Amendment by Mail Ballot without a Member Meeting, then the proposed Bylaw Amendment may not be amended at the Member Meeting.

In addition, these Bylaws may be altered, amended or repealed by the Members at any regular or special meeting, or by mail-in-ballot (or electronic) if the proposal has been presented no less than ten (10) days nor more than thirty-five (35) days prior to the date of such meeting, or the required date for the mailing of such ballots, to all Members, and such notice of shall have contained a copy of the proposed alteration, amendment or repeal.

Notwithstanding any other provisions of these Bylaws, an affirmative vote of, and a quorum for purposes of such vote of, at least a majority of all of the Members of the Cooperative shall be required to alter, amend or repeal the number of affirmative votes of the Members required for action in accordance with Article VII-DISPOSITION OF PROPERTY, Article IX-DISSOLUTION, or this Article XIV-AMENDMENTS.