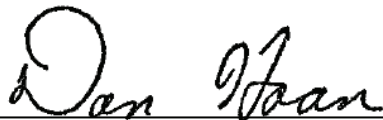


Bylaws of
Tipmont Rural Electric Membership Corporation

Ratified and Adopted by the Board of Directors
on March 31, 2009

A handwritten signature in cursive script that reads "Dan Haan". The signature is written in black ink and is positioned above a horizontal line.

Dan Haan, Secretary/Treasurer
Tipmont Rural Electric Membership Corporation

Article I – Cooperative Membership

SECTION 1.01 – Membership Eligibility. Any individual or entity (“Person”) with the capacity to enter legally binding contracts and who consumes, receives, purchases, or otherwise uses (collectively, “Uses”):

1. Electric power or energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided (collectively, “Provided”) by Tipmont Rural Electric Membership Corporation (“Cooperative”) is eligible to become and remain a Member. No person shall hold more than one membership in the Cooperative.

An entity includes, but is not limited to, corporations and foreign corporations; business corporations and foreign business corporations; profit and nonprofit unincorporated associations; business trusts, estates, partnerships, limited liability companies, trusts, and two or more persons having a joint or common economic interest; and states, United States of America, and foreign governments, or any agencies or divisions thereof (collectively, “Entity”).

SECTION 1.02 – Membership Procedure. Unless these Bylaws provide otherwise, or the Board determines otherwise, any eligible Person seeking to become a Member or remain a Member must complete the procedures stated in this Bylaw to the Cooperative’s satisfaction (“Membership Procedures”) within a reasonable time of initially using or requesting to Use electric power or energy.

A. Membership Application. Each Member must complete and sign a written membership application provided by the Cooperative in which the Member agrees to:

1. Comply with the membership application and the following documents and materials, all as currently existing and as later adopted or amended (collectively, “Governing Documents”), ensure that any product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Member (“Member Equipment”) and connected to any product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative (“Cooperative Equipment”) complies with the following Governing Documents, and ensure that any act or omission involving any Member Equipment connected to any Cooperative Equipment complies with the following Governing Documents:

- a. All applicable laws and legally binding agreements regarding the:
 - (i) Cooperative;
 - (ii) Cooperative’s operation;
 - (iii) Cooperative’s Assets;
 - (iv) Cooperative’s Members and Patrons;
 - (v) Provision and Use of Cooperative Services;
 - (vi) Cooperative Equipment; and
 - (vii) Member Equipment connected to Cooperative Equipment, including,

but not limited to, all applicable:

- (i) Legislative, executive, administrative, and judicial constitutions, statutes, case law, regulations, ordinances, rulings, or orders;
 - (ii) Local, state, and federal constitutions, statutes, case law, regulations, ordinances, rulings, or orders;
 - (iii) Contractual provisions legally enforceable by, or against, the Cooperative; and
 - (iv) Legally binding contracts between the Cooperative and the Member (collectively, "Law");
- b. The Cooperative's Articles of Incorporation ("Articles");
 - c. These Bylaws;
 - d. The Cooperative's service rules and regulations;
 - e. The National Electrical Code;
 - f. The Cooperative's rate or price schedules; and
 - g. All rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Cooperative's board of directors ("Board") or membership;
2. Be or remain a Member; and
 3. At prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Cooperative, pay the Cooperative for all:
 - a. Electric Energy Used:
 - (i) By the Member; or
 - (ii) At or for any Location Occupied by the Member; and
 - b. Dues, assessments, fees, deposits, contributions, or other amounts required by the Articles, these Bylaws, the Board, or Law.

B. Information and Documents. Each Member must:

1. Submit to the Cooperative all information requested by the Cooperative, including federal tax identification number; and
2. Complete any additional or supplemental document or contract required by the Board.

Unless otherwise provided in the Articles or these Bylaws, or otherwise required by Law, the Cooperative will not release, disclose, or disseminate any personally identifiable or confidential information regarding any Member except as may be required to provide electric energy or other services to the Cooperative Membership.

C. Payment of Amounts. Each Member must pay the Cooperative:

1. Any dues, assessment, fee, deposit, contribution, or other amount required by the Articles, these Bylaws, the Board, or Law;
2. Any outstanding amounts owed the Cooperative by the Member, unless waived in writing by the Board, or waived pursuant to Board policy generally applicable to all Members.

SECTION 1.03 – Membership. An eligible Person is automatically a member of the Cooperative (“Member”), and consents to being a Member, upon:

1. Initially Using electric power or energy Provided by the Cooperative.

SECTION 1.04 – Membership Agreement. Every Member shall follow, abide by, and be legally bound to, the Governing Documents. As provided in these Bylaws, the Cooperative may suspend or terminate any Member for the Member’s failure to follow, abide by, or be legally bound to, the Governing Documents. Among other things, the Articles and these Bylaws are contracts between the Cooperative and each Member. By becoming a Member, each Member acknowledges that:

1. Every Member is a vital and integral part of the Cooperative;
2. The Cooperative’s successful operation depends upon every Member complying with the Governing Documents; and
3. All Members are united in an interdependent relationship.

SECTION 1.05 – Joint Membership. As provided in this Bylaw, any two (2) or more individuals occupying the same location may apply for joint membership in the Cooperative (Joint Membership).

- A. Creating Joint Memberships. By jointly signing, executing and returning to the Cooperative within a reasonable time a written membership application, and by jointly completing the membership procedures, any two or more individuals occupying the same Location may apply for Joint Membership. By written request, and by jointly executing a new membership application, any Member may apply to convert the Member’s individual membership to a Joint Membership with any other individuals occupying the same Location as the Member.\
- B. Joint Member Rights and Obligations. Unless denied membership as provided by these Bylaws, and unless otherwise specified by the Bylaws, each individual comprising a Joint Membership (“Joint Member”) has and may enjoy all the rights, benefits, and privileges, and is subject to all the obligations, requirements, and liabilities, of being a Member. As used in these Bylaws, and unless otherwise provided in these Bylaws, Membership includes any Joint Membership, and Member includes any Joint Member.
- C. Effect of Joint Member Actions. For each Joint Membership:
 1. Notice of any meeting provided to any Joint Member, or waiver of notice of any

- meeting signed by any Joint Member, constitutes notice or waiver of notice for all Joint Members comprising the Joint Membership;
2. The presence of any or all Joint Members at the meeting:
 - a. Constitutes the presence of one (1) Member at the meeting;
 - b. Waives notice of the meeting for all Joint Members comprising the Joint Membership.
 3. A joint Membership shall be entitled to one (1) vote on any matter. The vote of one (1) joint Member binds the Joint Membership and constitutes one (1) vote.
 4. Except upon the death of a Joint Member or dissolution of marriage, legal separation, legal conclusion of the relationship or failure to Occupy the same Location, between Joint Members, the suspension or termination of any Joint Member constitutes suspension or termination of all Joint Members; and
 5. If any Joint Member is not qualified to serve as a Member of the Board (“Director”), regardless of whether any other Joint Member is eligible to serve as a Director, no Joint Member shall be qualified to serve.

D. Joint Membership Conversion and Termination. Upon the Cooperative becoming aware of the death, dissolution of marriage, legal separation, legal conclusion of the relationship or failure to Occupy the same Location between Joint Members:

1. If one (1) or more Joint Members continue to legally use electric energy at the same Location, then the Joint Membership converts to a Membership or Joint Membership in the name or names of the Member or Joint Members continuing to legally use the electric energy at the same location.
2. If all Joint Members continue to legally use electric energy at the same Location, then the Joint Membership converts to a Membership or Joint Membership in the name or names of the Member or Joint Members as determined by the Cooperative; or
3. If no Joint Member continues to legally use electric energy at the same Location, then the Joint Membership terminates.

SECTION 1.06 – Provision of Electric Energy. Each Member shall comply with any reasonable procedure required by the Cooperative regarding the Provision of Electric Energy to any Member.

A. Limitation of Liability. The Cooperative shall Provide Electric Energy to Members in a reasonable manner. The Cooperative, however, neither insures, guarantees, nor warrants that it will provide adequate, continuous, or non-fluctuating electric power or energy. The Cooperative is not liable for any damages, costs, or expenses, including attorney fees or legal expenses, caused by the Cooperative Providing any inadequate, noncontinuous, or fluctuating electric power or energy unless the damages, costs, or expenses are caused by the Cooperatives’s gross negligence or willful misconduct. All Cooperative responsibility and

liability for Providing Electric Energy terminate upon delivery of the Electric Energy to a Member or other Person acting for a Member.

- B. Cooperative Equipment and Member Equipment. No Member shall tamper with, alter, interfere with, damage, or impair any Cooperative Equipment. No Member shall take or omit any act involving any Member Equipment connected to any Cooperative Equipment that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide Electric Energy. Unless otherwise determined or indicated by the Board, the Cooperative owns all Cooperative Equipment. Each Member shall protect all Cooperative Equipment and all Member Equipment connected to Cooperative Equipment, and shall install and maintain any protective device, and implement and follow any protective procedure, required by the Cooperative.
- C. Termination of Electric Service. After providing the Member reasonable notice and an opportunity to comment orally or in writing, the Cooperative may suspend or terminate the Provision of Electric Energy to any Member for any Suspension Reason.

Without providing the Member notice or an opportunity to comment, the Cooperative may suspend or terminate the Provision of Electric Energy to the Member upon determining or discovering:

1. That Cooperative Equipment used to Provide Electric Energy has been tampered with, altered, interfered with, damaged, or impaired;
2. That any act has been taken or omitted involving any Member Equipment connected to any Cooperative Equipment that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide Electric Energy.
3. The unsafe condition of any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment; or
4. Any imminent hazard or danger posed by any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment.

SECTION 1.07 – Use of Electric Energy. As required or allowed by Law, and unless otherwise specified in writing by the Board, each Member shall Use Electric Energy from or through the Cooperative. In using Electric Energy each Member shall comply with, and abide by, the Governing Documents.

- A. Payments to Cooperative. At prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Cooperative, each Member shall pay the Cooperative for all:
1. Electric Energy Used by the Member, or at or for any Location Occupied by the Member; and
 2. Dues, assessments, fees, deposits, contributions, or other amounts required by Law, the Articles, these Bylaws, or the Board.

Regarding any Member with or for whom the Cooperative and another Person Provide a good or service reasonably related to the Member Using electric power or energy:

1. Before paying the other Person, the Member shall pay the Cooperative; and
2. Before paying the other Person, the Cooperative shall apply amounts received from or on behalf of the Member for or toward all Electric Energy Used by the Member, or Used at or for any location Occupied by the Member.

B. Interest and Late Payment Fees. As determined by the Board, Members shall pay interest, compounded periodically, and late payment fees for all amounts owed, but not timely paid, to the Cooperative. Notwithstanding the Cooperative's accounting procedures, the Cooperative may apply all amounts paid by any Member to all of the Member's accounts on a pro rata basis, or as otherwise determined by the Board.

SECTION 1.08 – Maintaining Member Location and Equipment. As required to comply with the Governing Documents, and as required by the Cooperative to safely, reliably, and efficiently operate the Cooperative or Provide Electric Energy, each Member shall maintain, and take or omit all acts involving:

1. Every Location Occupied by the Member at or for which the Cooperative Provides Electric Energy, and any real or personal property in which the Member possesses any legal right or interest, which real or personal property surrounds or is adjacent to the Location; and
2. Any Member Equipment connected to any Cooperative Equipment.

SECTION 1.09 – Member Grant of Property Rights. As determined or required by the Cooperative, each Member shall:

1. Provide the Cooperative temporary or permanent, and safe and reliable, access to or use of, any; and
2. Upon request from, pursuant to the terms and conditions specified by, and without compensation from the Cooperative, grant and convey, and execute any document requested by the Cooperative to grant and convey, to the Cooperative any written or oral easement, right-of-way, license, or other property interest in any real or personal property in which the Member possesses any legal right or interest and which, as determined or required by the Cooperative, is reasonably necessary to:
 1. Purchase, install, construct, inspect, monitor, operate, repair, maintain, remove, relocate, upgrade, or replace any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment;
 2. Provide, monitor, measure, or maintain Electric Energy;
 3. Authorize, permit, satisfy, or facilitate any obligation incurred, or right granted, by the Cooperative regarding any use of Cooperative Equipment; or
 4. Safely, reliably, and efficiently;
 - a. Operate the Cooperative; or
 - b. Provide Electric Power or Energy to any member.

SECTION 1.10 – Member Indemnification. As requested by the Board, each Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any expense, costs, liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative Director, Officer, employee, agent, representative, or contractor, because of any property damage, personal injury, or death resulting from the Member’s negligence or failure to comply with the Governing Documents.

SECTION 1.11 – Member Suspension. The Cooperative may suspend Members as provided in this Bylaw and allowed by Law.

A. Suspension Reasons. The Cooperative may suspend a Member for the following reasons (“Suspension Reasons”):

1. As otherwise provided in the Articles or these Bylaws;
2. As required or permitted by Law;
3. For good cause determined by the Board; or
4. If the Member:
 - a. Fails to timely pay any amounts due the Cooperative;
 - b. Fails to timely complete the Membership Procedure;
 - c. Fails to timely comply with Governing Documents;
 - d. Ceases using any Electric Energy;
 - e. Dies, legally dissolves, or legally ceases to exist;
 - f. Tampers with, alters, interferes with, damages, or impairs any Cooperative Equipment; or
 - g. Voluntarily requests suspension.

B. Effect of Member Suspension Upon Cooperative. Upon a Member’s suspension, and other than the Cooperative’s:

1. Obligation to retire and refund Capital Credits; and
2. Obligations regarding the Cooperative’s dissolution,

then:

1. The Cooperative’s duties, obligations, and liabilities imposed by these Bylaws for the Member cease; and
2. The Cooperative may cease Providing any Electric Energy to the Member.

C. Effect of Member Suspension Upon Member. Other than the right to receive retired and refunded Capital Credits and other than rights upon the Cooperative’s dissolution, a suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, a suspended Member forfeits and relinquishes any voting rights provided by Law, the Articles, or these Bylaws. A suspended Member, however, remains

subject to all obligations imposed by the Governing Documents.

- D. **Lifting of Suspension.** Unless otherwise determined by the Board, a Member's suspension is automatically lifted upon the Member rectifying, to the Cooperative's reasonable satisfaction, the underlying Suspension Reason within ten (10) days of the suspension. The Board may lift any Member suspension for good cause as determined by the Board.

SECTION 1.12 – Member Termination. A suspended Member who does not, to the satisfaction of the Cooperative, rectify the reason for Suspension as provided herein, shall be deemed automatically terminated as a Member. Termination of a Member does not release the Member from any debts, liabilities, or obligations owed to Cooperative.

Upon a Member's termination from the Cooperative, and after deducting any amounts owed the Cooperative, the Cooperative shall return to the Member any amounts authorized by the Board and generally returned to terminated Members.

SECTION 1.13 – Membership List. The Cooperative, or the Cooperative's agent, shall maintain a record of current Members in a form permitting the Cooperative to:

1. Alphabetically list the names and addresses of all Members.

Unless otherwise determined by the Board or otherwise provided in these Bylaws, no Member may inspect, copy, or receive a copy of the Membership List or any similar list of Members. In the event the Board determines that a Member may inspect, copy or receive a copy of the Membership List or any similar list of Members, the Member shall pay the Cooperative a reasonable charge determined by the Cooperative covering the Cooperative's labor and material cost of preparing and copying the Membership List and shall satisfy all other reasonable terms and conditions required by the Board.

SECTION 1.14 – Member Liability. A Member is generally not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations. A Member, however, may become liable to the Cooperative as:

1. Provided in these Bylaws; or
2. Otherwise agreed to by the Cooperative and Member.

Article II – Member Meetings and Member Voting

SECTION 1.01 – Annual Meetings. Within a county in which the Cooperative Provides Electric Energy, the Cooperative:

1. Shall annually hold a meeting of Members (“Annual Member Meeting”);

The Board shall determine the date, time, and location of any Annual Member Meeting.

At the Annual Member Meeting, the President and Treasurer shall provide a written report, or oral presentation, regarding the Cooperative’s activities and financial condition. The Cooperative’s failure to hold an Annual Member Meeting does not affect any action taken by the Cooperative.

SECTION 1.02 – Special Member Meetings. The Cooperative shall hold a special meeting of Members at a date, time, and location determined by the Board (“Special Member Meeting”) upon the Cooperative receiving:

1. A written or oral request from a majority of the Board of Directors or the President of the Board of Directors; or
2. One (1) or more written demands signed and dated, within sixty (60) days following the first signature and filed with the Cooperative with thirty (30) days of the last signature, by at least five percent (5%) of the Cooperative’s total current non-suspended Members (“Total Membership”) and, on each page of each written demand, requesting and describing the purpose of a special meeting of Members (“Member Demand”).

If the Cooperative fails to properly notify the Members of a Special Member Meeting within thirty (30) days of receiving any Member Demand, then a Member signing the Member Demand may:

1. Reasonably set the time, place, and location of the special Member Meeting; and
2. Properly notify the Members of the Special Member Meeting.

SECTION 1.03 – Conduct and Attendance at Member Meetings. Unless otherwise determined by the Board before or at any Annual Member Meeting or Special Member Meeting (collectively, “Member Meeting”), the President:

1. Shall preside at all Member Meetings;
2. May remove, or provide for the removal of, any Person from any Member Meeting for unruly, disruptive, or similar behavior; and
3. May exercise any power reasonably necessary for efficiently and effectively conducting any Member Meeting.

Before or at any Member Meeting, the Board may limit attendance as it deems appropriate.

SECTION 1.04 – Member Action at Member Meetings. Unless otherwise determined by the Board before or at any Member Meeting, and unless these Bylaws provide otherwise, Members attending the Member Meeting may consider, vote, or act only upon a matter described in the notice of the Member Meeting or as authorized by the President.

SECTION 1.05 – Member Action by Written Consent. Unless otherwise provided in these Bylaws, any action required or permitted to be taken or approved by Members may be approved or taken without a Member Meeting upon the Cooperative receiving one (1) or more written consents (“Member Written Consent”):

1. Containing the printed names and original dated signatures of at least eighty percent (80%) of the Total Membership obtained within sixty (60) days of the first Member signature;
2. Describing the action in detail on each page of each written consent; and
3. Approving the action.

Any material soliciting approval of any action by Member Written Consent must contain, or be accompanied by, a copy or summary of the proposed action.

A Member may withdraw the Member’s consent any time prior to the Cooperative receiving the Member Written Consent. A Member’s consent may not be procured through fraud or other improper means. As determined by the Cooperative, any Member consent procured through fraud or other improper means is invalid. A Member Written Consent has the effect of a vote taken at a Member Meeting, and may be so described in any document.

The Cooperative shall notify, in writing, all Members not signing the Member Written Consent regarding actions approved by Member Written Consent (“Notice of Member Written Consent”). If Notice of Member Written Consent is required, then any action approved or taken by Member Written Consent is effective ten (10) days after the Cooperative provides Notice of Member Written Consent.

SECTION 1.06 – Notice of Member Meetings. As directed by the President, Secretary, or any other Officer or Member properly calling a Member Meeting, the Cooperative shall deliver written notice of the Member Meeting:

1. Personally or by mail;
2. To all Members entitled to vote at the Member Meeting;
3. Indicating the date, time and location of the Member Meeting;
4. At least ten (10), but no more than thirty (30), days prior to the Member Meeting; and
5. For any Member Meeting describing any matter to be considered, or voted or acted upon, at the Member Meeting.

Unless these Bylaws provide otherwise, a mailed notice of a Member Meeting is delivered when deposited in the United States Mail in a sealed envelope with prepaid postage affixed and addressed to a Member at the Member's address shown on the Membership List.

The inadvertent and unintended failure of any Member to receive notice of any Member Meeting shall not affect any action taken at the Member Meeting.

When notifying Members of any Member Meeting, the Cooperative shall include notice of any matter which a Member may raise or discuss, and intends to raise or discuss, at the Member Meeting if:

1. Requested, in writing, by a percentage of the Total Membership entitled to call a Special Member Meeting; and
2. The Cooperative receives the written request at least thirty (30) days prior to the Member Meeting.

Unless otherwise provided in these Bylaws, the Cooperative shall notify Members of a Member Meeting adjourned to another date, time, or location unless:

1. The Member Meeting is adjourned to another date occurring within sixty (60) days following the Record Date for the original Member Meeting; and
2. The new date, time, or location is announced at the Member Meeting prior to adjournment.

SECTION 1.07 – Record Date. The Board may fix a date (“Record Date”) for determining the Total Membership and the Members entitled to:

1. Sign a Member Written Consent;
2. Receive notice of a Member Meeting; and
3. Vote at a Member Meeting.

No Board determined Record Date may be more than seventy (70) days prior to the date the first Member signs a Member Written Consent or of the Member Meeting.

Unless otherwise fixed by the Board, the Record Date for determining the Total Membership and the Members entitled to:

1. Sign a Member Written Consent is the date the first Member signs a Member Written Consent;
2. Receive notice of a Member Meeting is not less than thirty (30) nor more than forty-five (45) days prior to said Member Meeting; and
3. Vote at a Member Meeting is not more than fourteen (14) days prior to said Member Meeting.

The Record Date for determining the Total Membership and the Members entitled to sign a

Member Demand is the close of business on the thirtieth (30th) day prior to the Cooperative's receipt of Member Demands.

The Record Date for determining the Total Membership and the Members entitled to notice of, or to vote at, a Member Meeting is effective for any Member Meeting adjourned to a date not more than seventy (70) days following the Record Date for determining the Total Membership and the Members entitled to notice of the original Member Meeting.

SECTION 1.08 – Member Meeting List. After fixing the Record Date for determining the Members entitled to receive notice of a Member Meeting, and through the Member Meeting, the Cooperative shall prepare, update, and maintain an alphabetical list ("Member Meeting List") indicating:

1. Members entitled to receive notice of, and to vote at, the Member Meeting; and
2. The name and address of each Member listed.

For communicating with Members concerning the Member Meeting:

1. The Cooperative shall make the Member Meeting List available for inspection by any Member:
 - a. Beginning two (2) business days after the Cooperative provides notice of the Member Meeting, and continuing through the Member Meeting; and
 - b. At the Cooperative's principal office, or at a reasonable place identified in the notice of the Member Meeting and located in the city in which the Member Meeting will be held; and
2. Upon written demand and at a reasonable time during the period a Member Meeting List is available for inspection:
 - a. A Member, Member's agent, or Member's attorney may inspect the Member Meeting List and copy the Member Meeting List at the Member's expense; or
 - b. If reasonable, as determined by the Cooperative, and upon paying the Cooperative a reasonable charge determined by the Cooperative covering the Cooperative's labor and material cost of copying the Member Meeting List, the Cooperative shall provide a copy of the Member Meeting List to the Member, Member's agent, or Member's attorney.

if:

- a. The written demand is made in good faith and for a proper purpose;
- b. The Member Meeting List is not used to solicit money or property unless the money or property is used solely to solicit Member votes at the Member Meeting; and

- c. The Member Meeting List is not used for any commercial purpose, or sold to, or purchased by, any Person.

The Cooperative shall make the Member Meeting List available at the Member Meeting. Any Member, Member's agent, or Member's attorney may inspect the Member Meeting List at any time during the Member Meeting.

Before acting as allowed under this Bylaw, a Member's agent or attorney must provide written evidence satisfactory to the Cooperative that the Member properly authorized the agent or attorney to act on the Member's behalf.

SECTION 1.09 – Member Waiver of Notice. A Member may waive notice of a Member Meeting, or waive notice of any matter to be considered, or voted or acted upon, at a Member Meeting, by signing and delivering to the Cooperative a written waiver of notice (“Member Meeting Waiver of Notice”) either prior to the Member Meeting, or within thirty (30) days following the Member Meeting.

Unless a Member objects to holding, or to transacting business at, a Member Meeting, a Member's attendance in person at a Member Meeting waives the Member's objection to lack of notice, or to defective notice, of the Member Meeting. Unless a Member objects to considering a matter at a Member Meeting, a Member's attendance in person at the Member Meeting waives the Member's objection to considering, or voting or acting upon, the matter at the Member Meeting.

SECTION 1.10 – Member Voting by Mail Ballot. Unless otherwise provided in these Bylaws, Members may not vote or act by mail.

SECTION 1.11 – Member Quorum. Unless otherwise by law provided, a quorum of Members is two percent (2%) of the Total Membership.

The Board may not amend this Bylaw to increase the Member Quorum.

If less than the Member Quorum is present at any Member Meeting, then a majority of Members attending the Member Meeting in person may adjourn the Member Meeting.

SECTION 1.12 – Member Voting. Upon presenting identification or proof of Cooperative membership as reasonably required by the Cooperative, each non-suspended Member may cast one (1) vote on any matter for which the Member is entitled to vote. Individuals voting on behalf of Entity Members must present evidence satisfactory to the Cooperative that the individual is duly authorized to vote for the Entity Member.

Unless otherwise provided by Law, the Articles, or these Bylaws, Members approve a matter and act if:

1. A Member Quorum is present in person; and
2. A majority of Members present in person entitled to vote on a matter, and voting on

the matter, vote in favor of the matter.

At any Member Meeting, the individual presiding over the Member vote may require the Members to vote by voice. If the individual presiding over the Member vote determines, in good faith, that a voice vote is not sufficient to accurately determine the vote results, then the Members shall vote by written ballot (“Written Ballot”), or by any other reasonable manner determined by the individual presiding over the Meeting. The Board shall resolve any tie Member vote in a manner approved by Members present at the Member Meeting.

Members may not cumulate votes.

SECTION 1.13 – Member Voting by Member Proxy. A Member may not appoint another individual to vote on any matter.

SECTION 1.14 – Accepting and Rejecting Member Voting Documents. Regarding any Member Written Consent, Member Meeting Waiver of Notice, or other document allegedly executed by, or on behalf of, a Member (collectively, “Member Voting Document”):

- A. Acceptance. The Cooperative may accept, and give effect to, the Member Voting Document if:
 - 1. The name signed on the Member Voting Document corresponds to a Member’s name, and the Cooperative acts in good faith; or
 - 2. The Cooperative reasonably believes the Member Voting Document is valid and authorized.

- B. Rejection. The Cooperative may reject, and not give effect to, the Member Voting Document if the Cooperative:
 - 1. Acts in good faith; and
 - 2. Has reasonable basis for doubting the validity of:
 - a. The signature on the Member Voting Document; or
 - b. The signatory’s authority to sign on behalf of the Member.

- C. Liability. Neither the Cooperative, nor any Cooperative Member, Director, Officer, employee, or agent, is liable to any Member for accepting or rejecting a Member Voting Document as provided in this Bylaw.

SECTION 1.15 – Credentials and Election Committee. Prior to any Member Meeting, the Board shall appoint a Credentials and Election Member Committee (“C&E Committee”) for the Member Meeting consisting of an uneven number of Members between three (3) and nine (9).

- A. C&E Committee Members. A C&E Committee member may not be an existing or Close

Relative of an existing:

1. Cooperative Director, Officer, employee, or agent; or
2. Known Director candidate.

As allowed by the Governing Documents, and as determined by the Board, the Cooperative may reasonably compensate or reimburse C&E Committee members.

B. C&E Committee Duties. Prior to, at, or within a reasonable time following, the Member Meeting for which the C&E Committee was appointed, the C&E Committee shall:

1. Elect a chairperson and secretary;
2. Oversee or supervise Member voting, and the tabulation of Member votes; and
3. Consider and decide all questions, issues, or disputes regarding:
 - a. Member voting;
 - b. The tabulation of Member votes;
 - c. Director nominations; and
 - d. Whether a Director nominee or newly elected Director satisfies the Director Qualifications (collectively, “Member Meeting Issues”).

The C&E Committee may meet, consider, or decide Member Meeting Issues, or otherwise act, only if a majority of the C&E Committee members are present. Any C&E Committee decision or action requires a vote of at least a majority of the C&E Committee members present and voting. Unless properly challenged under this Bylaw, all C&E Committee decisions prior to, at, or within a reasonable time following, a Member Meeting are final.

At the Cooperative’s expense, the Cooperative shall make available legal counsel to the C&E Committee. As used in this Bylaw, Member voting includes voting by Written Ballot or voice.

C. Member Challenge. Any Member may:

1. Comment upon a Member Meeting Issue; or
2. Challenge the C&E Committee’s decision regarding a Member Meeting Issue by filing a written description of the Member’s comments or challenge (“Member Challenge”) with the Cooperative within three (3) business days following the Member Meeting addressed by the Member Challenge.

Within thirty (30) days of receiving any Member Challenge, the C&E Committee shall:

1. As determined by the C&E Committee, meet and receive oral or written evidence from any Member, or legal counsel representing any Member, directly and

2. substantially implicated in, or affected by, the Member Challenge; and Consider, decide, and rule upon the Member Challenge.

The C&E Committee's decision regarding any Member Challenge is final. Upon written request by any Member received by the C&E Committee within thirty (30) days of a C&E Committee decision, the C&E Committee shall prepare a written report summarizing and explaining the C&E Committee's decision.

The failure of the Cooperative or C&E Committee to act as required by this Bylaw shall not, by itself, affect any vote, Director election, or other action taken at a Member Meeting.

SECTION 1.16 -- Member Meeting Order of Business. The Board President shall determine the agenda and order of business for Member Meetings.

Article III - Board of Directors

SECTION 1.01 – Director Districts. Based upon geographic, population, and any other equitable consideration determined by the Board, the Board shall divide the general area in which Members Occupy a Location at or for which Members Use Electric Energy (“Cooperative Service Area”) into not less than seven (7) districts that equitably represent the Members (“Director Districts”). As necessary based upon geographic, population, and any other equitable consideration determined by the Board, the Board may re-divide the Director Districts to ensure that the Director Districts equitably represent the Members.

No Director District may:

1. Increase an existing Director’s Director Term; or
2. Unless the affected Director consents in writing, shorten any existing Director’s Director Term.

SECTION 1.02 – Board. The Cooperative shall have a Board that equitably represents the Members and that is composed of:

1. Individual members Using Electric Energy at a Location within the Director District, and elected by the Members using Electric Energy within the Cooperative Service Area.

This is an Amendment to the Bylaws that were adopted April 22, 2003, and this Amendment shall be effective as of the 2006 Annual Meeting of Member for Election of Directors.

Except as otherwise provided by Law, the Articles, or these Bylaws:

1. All Cooperative powers must be exercised by the Board, or under the Board’s authority;
2. All Cooperative affairs must be managed under the Board’s direction; and
3. The Board shall reasonably administer and enforce these Bylaws, or shall ensure that these Bylaws are reasonably administered and enforced.

To the extent the Law, the Articles, or these Bylaws authorize any Person to exercise any power that the Board would otherwise exercise, the Person exercising the Power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

SECTION 1.03 – Director Qualifications. Any Director or Director candidate must comply with this Bylaw.

- A. **General Director Qualifications.** To become or remain a Director, a Person must comply with or meet the following general qualifications (“General Director Qualifications”):
 1. Be an individual;
 2. Have the capacity to enter legally binding contracts;

3. While a Director, and during the five (5) years immediately prior to becoming a Director, not:
 - a. Be, nor have been, convicted of a felony or
 - b. Plead, nor have pled, guilty to a felony.
4. Within three (3) years of becoming a Director, and unless excused by the Board for good cause, successfully complete of the core requirements to receive a Credentialed Cooperative Director designation, Director's Certificate, or similar certification from the National Rural Electric Cooperative Association;
5. Unless excused for good cause by the Board, no Director shall be absent from more than four (4) Board Meetings during any calendar year. For purposes of this Section, the Annual Meeting of Member, Annual Board Planning Session and Annual Budget Meeting shall be considered Board Meetings; and
6. Comply with any other reasonable qualifications determined by the Board.

B. Membership Director Qualifications. To become or remain a Director, an individual must while a Director and during the one (1) year immediately prior to becoming a Director, comply with or meet the following membership qualifications ("Membership Director Qualifications"):

1. Be a Member;
2. Not commit or omit a Suspension Reason; and
3. For at least ten (10) months each calendar year, Occupy as a Primary Residence, and Use Electric Energy at a Location within any Director District from which the Director is elected or chosen;

This is an Amendment to the Bylaws that were adopted April 22, 2003, and this Amendment shall be effective as of the 2006 Annual Meeting of Member for Election of Directors.

C. Conflict of Interest Director Qualifications. To become or remain a Director, an individual must, while a Director and during the one (1) year immediately prior to becoming a Director, comply with or meet the following conflict of interest qualifications ("Conflict of Interest Director Qualifications") by not being, nor having been:

1. A Close Relative of any existing Director, other than an existing Director who will cease being a Director within one (1) year;
2. An existing, nor a Close Relative of an existing, non-Director Cooperative Officer, employee, agent, or representative;
3. Employed by, materially affiliated with, nor sharing a material financial interest with, any other Director; or
4. Engaged in any business, nor employed by, materially affiliated with, nor having a material financial interest in any individual or entity, other than an Entity in which the Cooperative owns an interest:

- a. Regularly, directly, and substantially competing with the Cooperative or any Entity that the Cooperative controls or in which the Cooperative owns a majority interest (“Cooperative Subsidiary”); or
- b. Regularly selling goods or services to the Cooperative or Cooperative Subsidiary; or
- c. Possessing any conflict of interest with the Cooperative or a Cooperative Subsidiary.

D. Director Disqualification. Only individuals complying with or meeting the General Director Qualifications, Membership Director Qualifications, and Conflict of Interest Director Qualifications (collectively, “Director Qualifications”) may become or remain a Director.

After being elected, designated, or appointed, if any Director fails to comply with or meet any Director Qualification, then, unless otherwise determined by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director:

1. If the Board notifies the Director in writing of the basis for, and provides the Director an opportunity to comment regarding, the Board’s proposed disqualification; and
2. Within thirty (30) days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification.

If at least a majority of Directors authorized by these Bylaws comply with and meet the Director Qualifications and approve a Board action, then the failure of any Director to comply with or meet the Director Qualifications does not affect the Board action.

SECTION 1.04 – Director Nominations. For each Director position scheduled for election by Members at any Member Meeting, the Director Candidates shall be nominated as provided in this Bylaw.

A. Member Petition Nominations. Members may nominate additional individuals to run for election for any Director position scheduled for election by Members at the Member Meeting (“Member Petition Nominations”). Members make Member Petition Nominations by delivering to the Cooperative at least seventy-one (71) days prior to the 2009 Member Meeting and eighty-five (85) days prior to all Member Meetings thereafter, in writing for each Member Petition Nomination (“Member Petition”):

1. Listing, on each page of the Member Petition, the name of the Member Petition Nominee;
2. Indicating, on each page of the Member Petition, the Director position for which the Member Petition Nominee will run; and
3. Containing the printed names, addresses, and telephone numbers, and original dated signatures signed within eighty-five (85) days of submission, of at least twenty-five (25) Nominating Members.

After verifying that a Member Petition complies with this Bylaw, the Cooperative shall post the Member Petition Nominations at the Cooperative's principal office.

B. Notice of Director Nominations. At least ten (10) days prior to any Member Meeting at which Members are scheduled to elect Directors, the Cooperative shall notify Members of the:

1. Director positions scheduled for election by Members;
2. Names and corresponding Director positions of all Member Petition Nominations.

SECTION 1.05 – Director Elections. At each Member Meeting at which a Director position is scheduled for election by Members (“Electing Members”), the Electing Members shall elect the Director from the Member Petition Nominations by a plurality of votes cast by Electing Members with a Member Quorum present in person.

In case of a tie vote, the Director elected will be determined by the Board in a manner approved by the Members present in person.

SECTION 1.06 – Director Terms. A Director's term is three (3) years (“Director Term”). The Cooperative shall stagger Director Terms by dividing the total number of authorized Directors into groups of approximately equal number. Members, therefore, will annually elect an approximately equal number of Directors.

Decreasing the number of Directors or length of Director Terms may not shorten an incumbent Director's Director Term. Despite the expiration of a Director Term, the Director continues to serve until a new Director is elected, or until the number of Directors is decreased.

SECTION 1.07 – Director Resignation. A Director may resign at any time by delivering written notice of resignation to the Board, President, or Secretary. Unless the written notice of resignation specifies a later effective date, a Director's resignation is effective upon the Board, President, or Secretary receiving the written notice of resignation. If a Director's resignation is effective at a later date, and if the successor Director does not take office until the effective date of the Director's resignation, then the pending Director vacancy may be filled before the effective date of the Director's resignation.

SECTION 1.08 – Director Removal. As provided in this Bylaw, one (1) or more Directors elected by the Members Using Electric Energy at a Location within the Cooperative Service Area (“Removing Members”) may be removed by the Removing Members for taking or omitting any negligent, fraudulent, or criminal act significantly and adversely affecting the Cooperative:

A. Director Removal Petition. For each Director for whom removal is requested, the Removing Members shall deliver to the President or Secretary a dated written Petition (“Director Removal Petition”):

1. Identifying the Director on each page;

2. Explaining, on each page, the basis for requesting the Director's removal and identifying the negligent, fraudulent, or criminal act or omission underlying the removal request; and
3. As Removing Members existed on the Director Removal Petition date, containing the printed names, printed addresses, and original and dated signatures obtained within sixty (60) days following the Director Removal Petition date, of at least five percent (5%) of the Removing Members.

Within thirty (30) days following the President or Secretary receiving a Director Removal Petition:

1. The Cooperative shall forward a copy of the Director Removal Petition to the implicated Director; and
2. The Board shall meet to review the Director Removal Petition.

B. Member Meeting. If the Board determines that the Director Removal Petition complies with this Bylaw, then the Cooperative shall notice and hold a Member Meeting within sixty (60) days following the Board's determination. Notice of the Member Meeting must state that:

1. A purpose of the Member Meeting is to consider removing a Director; and
2. Evidence may be presented, and a Member vote taken, regarding removing the Director.

If a Member Quorum is present in person at the Member Meeting, then for the Director named in each Director Removal Petition:

1. Prior to any Member vote, evidence must be presented supporting the basis for removing the Director;
2. The Director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing, the basis for removing the Director; and
3. Following the Director's presentation, and following Member discussion, the Members must vote whether to remove the Director.

If a majority of Members present and voting vote to remove the Director, then the Director is removed effective the time and date of the Member vote.

Neither a Director Removal Petition nor Director removal affects any Board action. Members may not vote to remove a Director by Member Written Consent, Mail Ballot or Member Proxy. No Director may be removed for lawfully opposing or resisting any Transfer of Cooperative Assets, or any Cooperative dissolution.

SECTION 1.09 – Director Vacancy. Unless otherwise provided in these Bylaw:

1. Within sixty (60) days of a Director position becoming vacant, and by the affirmative

vote of a majority of the remaining Directors, the Board may fill any vacant Director position, including any vacant Director position resulting from increasing the number of Directors; and

2. Any Director elected by the Board to fill any vacant Director position shall serve the unexpired Director Term of the vacant Director position.

An individual elected to fill a vacant Director position must comply with the Director Qualifications. As used in this Bylaw, “vacant Director position” and “Directory vacancy” do not include Director positions vacated due to an expired Director Term.

SECTION 1.10 – Director Compensation. As allowed by Law and the Articles and as determined or approved by the Board, the Cooperative may reasonably reimburse, provide insurance or other benefits to Directors, or pay Directors a fixed fee and expenses for attending any:

1. Board Meeting;
2. Function, meeting, or event involving or relating to the Cooperative; or
3. Function, meeting, or event involving, relating to, or reasonably enhancing the Director’s ability to serve in, the role of Director.

The Board shall determine or approve the manner, method, and amount of any Director reimbursement, benefits or fixed fee.

In consideration for serving as a Director, as determined by the Board, and without granting a Director or former Director any contract or other vested rights, the Cooperative may promise to reasonably provide insurance or other benefits to, a Director after the Director ceases to serve as a Director. After a Director ceases serving as a Director, the Board shall determine or approve, and may change or eliminate for any reason, the manner, method, and amount of any compensation or benefits provided to the former Director.

SECTION 1.11 – Director Conduct. Unless modified or prohibited by Law:

A. Director Standard of Conduct. A Director shall discharge the Director’s duties, including duties as a Board Committee member:

1. In good faith;
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the Director reasonably believes to be in the Cooperative’s best interests.

B. Director Reliance on Others. Unless a Director possesses knowledge concerning a matter making reliance unwarranted, then in discharging a Director’s duties, including duties as a Board Committee member, a Director may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:

1. One (1) or more Cooperative Officers or employees whom the Director reasonably

- believes to be reliable and competent in the matters prepared or presented;
2. Legal counsel, public accountants, or other individuals regarding matters the Director reasonably believes are within the individual's professional or expert competence; and
3. A Board Committee of which the Director is not a member regarding matters within the Board Committee's jurisdiction, if the Director reasonably believes the Board Committee merits confidence.

C. Director Liability. If a Director complies with this Bylaw, then the Director is not liable to the Cooperative, any Member, or any other individual or Entity for action taken, or not taken, as a Director. No Director is deemed a trustee regarding the Cooperative or any property held or administered by the Cooperative, including without limit, property potentially subject to restrictions imposed by the property's donor or transferor.

SECTION 1.12 – Close Relative. As used in these Bylaws, the term “close relative” means an individual who:

1. Is, either by blood, law, or marriage, including half, step, foster, and adoptive relations, a spouse, child, grandchild, parent, grandparent or sibling; or
2. Resides in the same residence (collectively, “Close Relative”).

Any individual properly qualified and elected or appointed to any position does not become a Close Relative while serving in the position because of any marriage or legal action to which the individual was not a party.

Article IV – Board Meetings and Director Voting

SECTION 1.01 – Regular Board Meetings. The Board shall regularly meet at the date, time and location determined by the Board (“Regular Board Meeting”). Unless otherwise required by these Bylaws, the Board may hold Regular Board Meetings without notice. For good cause, the President may change the date, time, or location of any Regular Board Meeting.

Any Director not attending any Board Meeting at which the Regular Board Meeting date, time, or location is changed is entitled to receive notice of the Regular Board Meeting change at least five (5) days before the next Regular Board Meeting. All Directors are entitled to receive notice of a President’s change in a Regular Board Meeting date, time, or location at least five (5) days before the changed Regular Board Meeting.

SECTION 1.02 - Special Board Meetings. The Board, or the President, may call a special meeting of the Board (“Special Board Meeting”) by providing each Director at least five (5) days prior written or oral notice indicating the date, time, and location and purpose of the Special Board Meeting.

SECTION 1.03 – Conduct of Board Meetings. Unless otherwise provided in these Bylaws, any Regular Board Meeting or Special Board Meeting (“Board Meeting”) may be:

1. Held in, or out of, any state in which the Cooperative Provides any Electric Energy, and
2. Conducted with absent Directors participating, and deemed present in person, through any means of communication by which all Directors participating in the Board Meeting may simultaneously hear reasonably and verifiably identify themselves, and simultaneously and approximately instantaneously communicate with each other during the Board Meeting.

If a Director Quorum is present at any Board Meeting, then:

1. In descending priority, the following Officers may preside at the Board Meeting: President, Vice-President, Secretary, and Treasurer; and
2. If no Officer is present, or desires, to preside over any Board Meeting, then the Directors attending the Board Meeting shall elect a Director to preside over the Board Meeting.

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

1. The attendance at, participation in, or presentation during Board Meetings by Persons other than Directors;
2. The right to access, inspect, or copy any minutes, record, or other documents relating to any Board Meeting by Persons other than Directors; or
3. The conduct of Board Meetings.

SECTION 1.04 – Waiver of Board Meeting Notice. At any time, a Director may waive notice of any Board Meeting by delivering to the Cooperative a written waiver of notice signed by the Director and later filed with the Board Meeting minutes or the Cooperative’s records. Unless a Director:

1. Upon arriving at a Board Meeting or prior to the vote on a particular matter, objects to lack of, or defective, notice of the Board Meeting or a matter being considered at the Board Meeting; and
2. Does not vote for, or assent to, an objected matter;

then the Director’s attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting.

SECTION 1.05 – Board Action by Written Consent . Without a Board Meeting, the Board may take any action required, or permitted, to be taken at a Board Meeting if the action is:

1. Taken by all Directors; and
2. Evidenced by one (1), or more, written consents (“Director Written Consent”):
 - a. Describing the action taken;
 - b. Signed by each Director; and
 - c. Included with the Cooperative’s Board Meeting minutes.

Unless the Director Written Consent specifies a different effective date, action taken by Director Written Consent is effective when the last Director signs the Director Written Consent. A Director Written Consent has the effect of, and may be described as, a Board Meeting vote. For purposes of this Section, the facsimile signature of a Director will be accepted.

SECTION 1.06 – Director Quorum and Voting. A quorum of Directors is a majority of the Directors in office immediately before a Board Meeting begins (“Director Quorum”). If a Director Quorum is present at the time a matter is voted or acted upon, and unless the vote of a greater number of Directors is required, then the affirmative vote of a majority of Directors present and voting is the act of the Board. An interested Director is not counted in determining whether a Director Quorum is present to vote or act upon any matter in which the Director is directly or indirectly interested. A Director may not vote by proxy. An agreement signed by Directors providing the manner in which a Director will vote is not valid.

SECTION 1.07 – Committees. The Board may create committees of the Board (“Board Committees”) and appoint Directors to serve of the Board Committees. Each Board Committee must consist of two (2) or more Directors, and serves at the Board’s discretion. The Board may create committees of the Members (“Member Committees”) and appoint Members, including Directors, to serve on the Member Committees.

- A. Creation and Appointment of Committees. Except as otherwise provided in these Bylaws, the Board must approve the:
1. Creation of any Board Committee or Member Committee;
 2. Appointment of Directors to any Board Committee; and
 3. Appointment of Members to any Member Committee.
- B. Conduct of Committee Meetings. To the same extent as the Board of Directors, the Bylaws addressing Regular Board Meetings, Special Board Meetings, Conduct of Board Meetings, Waiver of Board Meeting Notice, Board Action by Written Consent, and Director Quorum and Voting apply to Board Committees and Directors serving on Board Committees, and to Member Committees and Members serving on Member Committees.
- C. Committee Authority. Except as prohibited or limited by Law, the Articles, or this Bylaw, the Board may authorize a Board Committee to exercise Board authority. Although a Board Committee may recommend, a Board Committee may not act, to:
1. Retire and refund Capital Credits;
 2. Approve the Cooperative’s dissolution or merger, or the sale, pledge, or Transfer of all, or substantially all, Cooperative Assets;
 3. Elect, appoint, or remove Directors, or fill any Board or Board Committee vacancy; or
 4. Adopt, amend, or repeal these Bylaws.

Member Committees may act as specified by the Board, but may not exercise Board authority.

SECTION 1.08 – Board Executive Committee. Unless otherwise determined by the Board:

1. A Board executive committee is comprised of the President, Vice-President, Secretary, and Treasurer (“Board Executive Committee”); and
2. When impracticable or inconvenient for the Board to timely meet to consider a matter, and except as prohibited by Law, the Articles, or these Bylaws, the Board Executive Committee may exercise all Board authority regarding a matter.

The Board Executive Committee:

1. Is a Board Committee;
2. May exercise all Board authority granted by the Board and permitted by Law, the Articles, and these Bylaws; and
3. At the next Board Meeting following any exercise of Board authority, shall report to the Board regarding the Board Executive Committee’s exercise of Board authority.

SECTION 1.09 – Conflict of Interest Transaction. A conflict of interest transaction is a transaction with the Cooperative in which a Director has a direct or indirect interest (“Conflict of Interest Transaction”).

A. Indirect Interest. A Director has an indirect interest in a Conflict of Interest Transaction if at least one (1) party to the transaction is another Entity;

1. In which the Director has a material interest or is a general partner; or
2. Of which the Director is a director, officer, or trustee.

B. Approval of Conflict of Interest Transaction. Regardless of the presence or vote of a Director interested in a Conflict of Interest Transaction, a Conflict of Interest Transaction may be approved, and any Board Quorum or Member Quorum satisfied, if the Conflict of Interest Transaction’s material facts, and the Director’s interest, are:

1. Disclosed or known to the Board or Board Committee, and a majority of more than one (1) Director or Board Committee Member with no interest in the Conflict of Interest Transaction votes to approve the Conflict of Interest Transaction; or
2. Disclosed or known to the Members, and a majority of votes cast by Members not voting under the control of a Director or Entity interested in the Conflict of Interest Transaction approves the Conflict of Interest Transaction.

C. Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is fair when entered is neither:

1. Voidable; nor
2. The basis for imposing liability on a Director interested in the Conflict of Interest Transaction.

Article V – Officers

SECTION 1.01 – Required Officers. The Cooperative must have the following officers: President, Vice-President, Secretary, and Treasurer (“Required Officers”). The Board shall elect Required Officers:

1. At the first (1st) Regular Board Meeting following each Annual Member Meeting, or as soon after each Annual Member Meeting as reasonably possible and convenient;
2. By affirmative vote of a majority of Directors in office; and
3. By secret written ballot without prior nomination.

Only Directors may be elected, and serve, as a Required Officer. One (1) Director may simultaneously be Secretary and Treasurer. Unless allowed by Law, this Director may not execute, acknowledge, or verify any document in more than one (1) capacity.

Subject to removal by the Board, each Required Officer shall hold office until the Required Officer’s successor is duly elected. The Board shall fill any vacant Required Officer’s position for the remaining unexpired portion of the Required Officer’s term.

SECTION 1.02 – President. Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or the Bylaws, the President:

1. Shall preside, or designate another individual to preside, at all Board and Member Meetings;
2. On the Cooperative’s behalf, may sign any document properly authorized or approved by the Board or Members; and
3. Shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

SECTION 1.03 – Vice-President. Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the Vice-President:

1. Upon the President’s death, absence, disability, or inability to act, shall perform the duties, and have the powers, of the President; and
2. Shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

SECTION 1.04 – Secretary. Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the Secretary:

1. Shall be responsible for preparing minutes of Board and Member Meetings;
2. Shall be responsible for authenticating the Cooperative’s records;
3. May affix the Cooperative’s seal to any document authorized or approved by the Board or Members; and
4. Shall perform all other duties, shall have all other responsibilities, and may exercise

all other authority, prescribed by the Board.

SECTION 1.05 – Treasurer. Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaw, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board.

SECTION 1.06 – Officer Resignation and Removal. At any time, any Required Officer may resign by delivering to the Board an oral or written resignation. Unless the resignation specifies a later effective date, an Officer resignation is effective when received by the Board. If an Officer resignation is effective at a later date, then the Board may fill the vacant Officer position before the later effective date, but the successor Officer may not take office until the later effective date. At any time, the Board may remove any Officer with or without cause.

SECTION 1.07 – Officer Standard of Conduct. Every Officer shall discharge the Officer's duties:

1. In good faith;
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the Officer reasonably believes to be in the Cooperative's best interests.

SECTION 1.08 – Officer Contract Rights. The election or appointment of any Officer, by itself, does not create a contract between the Cooperative and the Officer. An Officer's resignation does not affect the Cooperative's contract rights, if any, with the Officer.

SECTION 1.09 – Authority to Execute Documents. On the Cooperative's behalf, any two (2) Required Officers may sign, execute, and acknowledge any document property authorized or approved by the Board or Members. The Board may authorize additional Cooperative Directors, Officers, employees, agents, or representatives to sign, execute, and acknowledge any document on the Cooperative's behalf.

SECTION 1.10 – Officer Compensation. Unless otherwise provided in a Bylaw addressing Director compensation, reimbursement, or benefits, and as determined by the Board, the Cooperative may reasonably compensate, reimburse, or provide insurance or benefits to, any Officer.

SECTION 1.11 – Bonds. At the Cooperative's expense, the Cooperative may purchase a bond covering any Cooperative Director, Officer, employee, agent, or representative.

SECTION 1.12 – Indemnification. As allowed by Law and the Articles, and as determined by the Board:

- A. Indemnification Director or Officer. The Cooperative shall indemnify:

1. An individual who is, or was, a Director or Officer; or an individual who, while a Director or Officer, is, or was, serving at the Cooperative's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise; or the estate or personal representative of such an individual (collectively, "Indemnification Director or Officer")
2. Who was wholly successful, on the merits or otherwise, in defending any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal ("Indemnification Proceeding")
3. To which the Indemnification Director or Officer was, is, or is threatened to be made a named defendant or respondent ("Indemnification Party")
4. Because the Indemnification Director or Officer is, or was, a Director or Officer
5. Against reasonable expenses, including counsel fees ("Indemnification Expenses"), actually incurred by the Indemnification Director or Officer in connection with the Indemnification Proceeding.

B. Indemnification Individual. The Cooperative may indemnify:

1. An individual who is, or was, a Cooperative Director, Officer, employee, or agent ("Indemnification Individual")
2. Made an Indemnification Party to any Indemnification Proceeding other than an Indemnification Proceeding:
 - a. By, or in the right of, the Cooperative in which the Indemnification Individual was adjudged liable to the Cooperative; or
 - b. Charging, and in which the Indemnification Individual was adjudged liable for receiving, improper personal benefit to the Indemnification Individual, whether or not involving action in the Indemnification Individual's official capacity.

because the Indemnification Individual is, or was, a Cooperative Director, Officer, employee, or agent

3. Against reasonable Indemnification Expenses incurred in connection with an Indemnification Proceeding by, or in the right of, the Cooperative; or against the obligation to pay a judgment, settlement, penalty, fine, or reasonable expense, including counsel fees, actually incurred in connection with any other Indemnification Proceeding
4. Incurred in the Indemnification Proceeding, if the Indemnification Individual:
 - a. Acted in good faith;
 - b. Reasonably believed:
 - (i) For conduct as a Cooperative Director, Officer, employee, or agent, that the Indemnification Individual's conduct was in the

- Cooperative's best interest; and
- (ii) For all other conduct, that the Indemnification Individual's conduct was not opposed to the Cooperative's best interests; and

c. In the case of any criminal Indemnification Proceeding, had no reasonable cause to believe the Indemnification Individual's conduct was unlawful

(collectively, "Indemnification Standard of Conduct")

5. After a majority vote of the Director Quorum, excluding Directors currently Indemnification Parties to the Indemnification Proceeding ("Indemnification Director Quorum"), determines:

- a. That the Indemnification Individual met the Indemnification Standard of Conduct; and
- b. Reasonable Indemnification Expenses.

C. Advance for Expenses. Prior to the final disposition of an Indemnification Proceeding, the Cooperative may pay for, or reimburse, the reasonable Indemnification Expenses incurred by an Indemnification Individual who is an Indemnification Party to the Indemnification Proceeding ("Indemnification Advance") if:

1. The Indemnification Individual furnishes the Cooperative a written:

- a. Affirmation of the Indemnification Individual's good faith belief that the Indemnification Individual has met the Indemnification Standard of Conduct; and
- b. Unlimited general obligation of the Indemnification Individual which:

- 1. Need not be secured;
- 2. May be accepted without reference to financial ability to repay;
- 3. May be executed personally or on the Indemnification Individual's behalf; and
- 4. Obligates the Indemnification Individual to repay the Indemnification Advance if a majority of the Indemnification Director Quorum ultimately determines that the Indemnification Individual did not meet the Indemnification Standard of Conduct; and

2. A majority of the Indemnification Director Quorum determines that the facts then known to them would not preclude indemnification for the Indemnification Individual under this Bylaw.

SECTION 1.13 – Insurance. Regardless of any indemnification authority or requirements, the Cooperative may purchase and maintain insurance on behalf of any individual who is, or was, a Cooperative Director, Officer, employee, agent or representative against any:

1. Liability, including judgment, settlement, or otherwise; or
2. Reasonable expenses, including reasonable attorney fees, asserted against, or incurred by, the Cooperative or the individual in his or her individual capacity, or arising from the individual's status, as a Cooperative Director, Officer, employee, agent, or representative.

Article VI – Cooperative Operation

SECTION 1.01 – Nonprofit and Cooperative Operation. The Cooperative:

1. Shall operate on a nonprofit basis;
2. Shall operate on a Cooperative basis for the mutual benefit of all Members; and
3. May not pay interest or dividends on Capital furnished by Patrons.

SECTION 1.02 – Allocating and Crediting Capital. In operating the Cooperative:

A. Patron. A Cooperative patron (“Patron”) is a:

1. Member.

B. Capital Credits. Patrons shall furnish and contribute to the Cooperative, and the Cooperative shall receive from Patrons, as capital (“Capital”) the amount (“Operating Margins”) by which the funds and amounts received by the Cooperative from Patrons for Providing Electric Energy (“Operating Income”) exceed the Cooperative’s costs and expenses of Providing the Electric Energy (“Operating Cost”).

The Cooperative shall annually allocate to each Patron, and pay by credit to a Capital account for each Patron, Operating Margins from the Cooperative in proportion to the value or quantity of the Electric Energy Used by each Patron during the applicable fiscal year (“Capital Credits”). Capital Credits must be treated as though the Cooperative paid the Capital Credit amounts to each Patron in cash pursuant to a preexisting legal obligation, and each Patron furnished or contributed the Capital to the Cooperative in the corresponding Capital Credit amounts.

C. Non-Operating Margins. Other than Operating Margins, funds and amounts received by the Cooperative that exceed the Cooperative’s costs and expenses (“Non-Operating Margins”) may be:

1. Allocated as Capital Credits to Patrons in the same manner as the Cooperative allocates Operating Margins to Patrons;
2. Retained or used by the Cooperative as permanent, non-allocated capital;
3. Used to pay or offset any Cooperative cost or expense; or
4. Used as otherwise determined or approved by the Board.

D. Assignment and Notification. Unless otherwise determined by the Board or provided in these Bylaws, Capital Credits may be assigned or transferred only upon the Patron or its successors in interest complying with any reasonable requirement determined by the Board.

The Cooperative may annually notify each Patron in writing of the dollar amount of Capital Credits allocated or credited to the Patron.

SECTION 1.03 – Retiring and Refunding Capital Credits. At any time prior to the Cooperative’s dissolution or liquidation, and if the Board determines that the Cooperative’s financial condition will not be adversely impacted:

1. The Board may authorize the Cooperative to, and the Cooperative shall, wholly or partially retire and refund Capital Credits to Patrons and former Patrons.

The Board shall determine the manner, method, and timing of retiring and refunding Capital Credits. The Board may determine a different manner, method, or timing for retiring Operating Losses.

Upon the death of any individual Patron or individual former Patron (“Deceased Patron”), but not upon the cessation of existence of any Entity Patron or Entity former Patron, and pursuant to a written request from the Deceased Patron’s legal representative, the Board may retire the Deceased Patron’s Capital Credits under terms and conditions agreed upon by the Deceased Patron’s legal representative and the Cooperative.

Before retiring and refunding any Capital Credits, the Cooperative may deduct from the Capital Credits any amounts owed to the Cooperative by the Patron or former Patron, including any reasonable compounded interest and late payment fee determined by the Board.

If the Cooperative takes reasonable measures to notify any Patron or former Patron of retired or refunded Capital Credits, and if the Patron or former Patron fails to claim the retired or refunded Capital Credits within two (2) years, then the Patron or former Patron contributes the unclaimed amounts to the Cooperative, and the Cooperative accepts the unclaimed amounts from the Patron or former Patron, and redistributes that amount to the remaining Patrons of the Cooperative.

SECTION 1.04 – Patron Agreement. Each Patron agrees that:

1. Capital Credits are not securities under state or federal Law;
2. A Patron’s right to receive Capital Credits vests, accrues, and becomes payable only upon the Cooperative retiring or refunding the Capital Credits, as provided in these Bylaws, and not upon the Cooperative allocating or crediting the Capital Credits; and
3. To the extent required by local, state, or federal Law, each Patron will:
 - a. Report to the appropriate Entity allocated, credited, retired, or refunded Capital Credits;
 - b. Pay to the appropriate Entity any tax or similar amount on allocated, credited, retired, or refunded Capital Credits.

SECTION 1.05 – Reasonable Reserves. Regardless of any contrary Bylaw, and to meet the Cooperative’s reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses (“Reasonable Reserves”).

Article VII – Disposition of Cooperative Assets

SECTION 1.01 – Transfer of Cooperative Assets. Except for any sale, lease, exchange, or other disposition (“Transfer”) of any Cooperative property or Cooperative asset (“Asset”):

1. To secure indebtedness;
2. Pursuant to condemnation or threat of condemnation;
3. Pursuant to an existing legal obligation;
4. Associated with a Consolidation or Merger;
5. To another Entity operating on a cooperative basis and Providing electric power and energy; or
6. To a Cooperative Subsidiary,

the Cooperative shall not Transfer more than ten percent (10%) of the Cooperative’s Assets unless:

1. At the expense of the Person seeking to purchase, lease or acquire the Cooperative’s Assets, the Board appoints three (3) independent appraisers, each of whom, within a reasonable time of appointment, evaluates and renders an appraisal valuing the Cooperative’s Assets specified in the proposed Transfer (“Appraisal”);
2. Within a reasonable time of receiving the Appraisals, the Cooperative invites all other Entities operating on a cooperative basis, Providing electric power and energy, and primarily located within the same state as, or within a state adjacent to, the state in which the Cooperative is primarily located to submit proposals to purchase, lease, or acquire the Cooperative’s Assets specified in the proposed Transfer, or to Merge or Consolidate with the Cooperative;
3. The Board approves the proposed Transfer;
4. At least a majority of the Total Membership approves the proposed Transfer;
5. Notice of any Member Meeting at which Members will consider the proposed Transfer states that one (1) of the purposes of the Member Meeting is to consider the Transfer, and includes a copy or summary of the proposed Transfer; and
6. The Cooperative allocates and credits to Members as Capital Credits any consideration received for the Cooperative’s Assets that exceeds the amount paid for the Cooperative Assets.

Unless otherwise determined by the Members, after the Members approve a Transfer, the Board may abandon the Transfer. To secure indebtedness, the Board may Transfer, mortgage, pledge, dedicate to repayment, or encumber any Cooperative Asset.

SECTION 1.02 – Merger or Consolidation. In a manner determined by the Board that is consistent with this Bylaw, the Cooperative may consolidate or merge with any other Entity operating on a cooperative basis that Provides electric power and energy (“Consolidate or Merge”).

- A. Board Approval. The Board must approve an agreement or plan to Consolidate or Merge (“Consolidation or Merger Agreement”) stating the:

1. Terms and conditions of the Consolidation or Merger;
 2. Name of each Entity Consolidating or Merging with the Cooperative;
 3. Name of the new or surviving Consolidated or Merged Entity (“New Entity”);
 4. Manner and basis, if any, of converting memberships, or ownership rights, of each Consolidating or Merging Entity into memberships or ownership rights of, or payments from, the New Entity;
 5. Number of directors of the New Entity, which must equal or exceed five (5);
 6. Date of the New Entity’s annual meeting;
 7. Names of New Entity directors who will serve until the New Entity’s first annual meeting; and
 8. Any other information required by Law.
- B. Member Approval. After the Board approves a Consolidation or Merger Agreement, two-thirds (2/3) of the Members present and voting in person must approve the Consolidation or Merger Agreement. Members may not approve the Consolidation or Merger Agreement by Member Written Consent or Mail Ballot.
- C. Notice. The Cooperative shall notify Directors of any Board Meeting, and Members of any Member Meeting, at which Directors or Members may consider a Consolidation or Merger Agreement. This notice must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement.
- D. Other Requirements. The New Entity directors named in the Consolidation or Merger Agreement must sign and file articles of Consolidation or Merger in a manner, and stating the information, required by Law. The Cooperative shall comply with all other requirements for Consolidation or Merger specified by Law. After a Consolidation or Merger Agreement is approved, and before articles of Consolidation or Merger are filed, the Board or Members may abandon the Consolidation or Merger.

SECTION 1.03 – Distribution of Cooperative Assets Upon Dissolution. Upon the Cooperative’s dissolution:

1. The Cooperative shall pay, satisfy, or discharge all Cooperative debts, obligations, and liabilities, including retiring and refunding without priority all Capital Credits to all Patrons and former Patrons in proportion to the value or quantity of Electric Energy Used by each Patron or former Patron; and
2. After paying, satisfying, or discharging all Cooperative debts, obligations, and liabilities:
 - a. To the extent practical, the Cooperative shall then distribute Non-Operating Margins used by the Cooperative as permanent, non-gains to Members who Used Electric Energy during the period in which the Cooperative received the Non-Operating Margins in proportion to the value or quantity of Electric Energy Used by the Member during the period the Cooperative received the Non-Operating Margins; and

- b. The Cooperative shall then pay or distribute any remaining Cooperative Assets, and any amounts received from selling any remaining Cooperative Assets, to:
 - (1) The Members in proportion to the value or quantity of Electric Energy Used prior to the Cooperative's dissolution; or
 - (2) Any nonprofit charitable or educational Entity or organization exempt from federal income taxation.

Article VIII – Miscellaneous

SECTION 1.01 – Electronic Documents. If a Member owns, controls or has reasonable access to the hardware and software specified by the Cooperative, then, regardless of any contrary Bylaw:

1. The Member agrees to:
 - a. Use, accept, send, and receive electronic signatures, contracts, records, notices, communications, and other documents (collectively, “Electronic Documents”) regarding any transaction with, for, or involving the Cooperative;
 - b. Conduct any action or transaction with, for, or involving the Cooperative by electronic means; and
 - c. Give this consent electronically, or confirm this consent electronically; and

2. As determined by the Board:
 - a. Any Electronic Document to or from the Member satisfies any requirement imposed by Law, the Articles, or these Bylaws that the underlying signature, contract, record, notice, communication, or other document be in writing;
 - b. Electronically sending or receiving any Electronic Document to or from the Member satisfies any requirement imposed by Law, the Articles, or these Bylaws that the underlying signature, contract, record, notice, communication, or other document be sent or received personally or by mail; and
 - c. The Member electronically taking any action provided in these Bylaws satisfies any requirement imposed by Law, the Articles, or these Bylaws regarding the form or manner of taking the action.

Any Electronic Document sent electronically to a Member or former Member at the Member or former Member’s last known electronic address is considered sent and received on the date sent. Any Electronic Document sent electronically to the Cooperative from a Member or former Member is considered sent and received on the date received by the Cooperative.

SECTION 1.02 – Bylaw Amendments. Unless otherwise provided in these Bylaws, these Bylaws may be adopted, amended, or repealed (“Amended”) by the Board of Directors. Unless otherwise stated in a Bylaw Amendment, the Amendment is effective immediately after the vote approving the Amendment.

- A. Sponsorship of Bylaw Amendments. The Board may sponsor or propose Bylaw Amendments.

- B. Notice of Bylaw Amendment. Notice of any Board Meeting at which Directors will consider a proposed Bylaw Amendment must:

1. State that the purpose, or one (1) of the purposes, of the Board Meeting is to consider the proposed Bylaw Amendment; and
2. Contain, or be accompanied by, a copy or summary of the proposed Bylaw Amendment.

SECTION 1.03 – Rules of Order. Unless the Board determines otherwise at any time, and to the extent consistent with Law, the Articles, and these Bylaws, the latest edition of *Robert’s Rules of Order* governs all:

1. Member Meetings;
2. Board Meetings;
3. Member Committee meetings; and
4. Board Committee meetings.

SECTION 1.04 – Fiscal Year. Unless otherwise provided by Law or in the Articles, the Board shall determine, and may modify, the Cooperative’s fiscal year.

SECTION 1.05 – Notice. In these Bylaws:

A. Notice Type. Unless otherwise provided in these Bylaws, notice may be:

1. Oral or written; and
2. Communicated:
 - a. In person;
 - b. By telephone, telegraph, teletype, facsimile, electronic communication, or other form of wire or wireless communication;
 - c. By mail or private carrier; or
 - d. If the above-listed forms of communicating notice 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, to an address shown in the Membership List, then a written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written notice or report to all Members:

1. Residing at the address; or
2. Having the same address shown in the Membership List.

B. Notice Effective Date. If communicated in a comprehensible manner, then unless otherwise provided in these Bylaws:

1. Oral notice is effective when communicated; and
2. Written notice is effective upon the earliest of:

- a. When received;
- b. With the postmark evidencing deposit in the United States Mail, if correctly addressed and:
 - (i) Mailed with first class postage affixed, then five (5) days after deposit in the United States Mail; or
 - (ii) 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.

Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Membership List.

SECTION 1.06 – Governing Law. These Bylaws must be governed by, and interpreted under, the laws of the State of Indiana.

SECTION 1.07 – Titles and Headings. All titles and headings of Bylaw articles, sections, and sub-sections are for convenience and reference only, and do not affect the interpretation of any Bylaw article, section, or sub-section.

SECTION 1.08 – Partial Invalidity. When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause, or provision (collectively, “Bylaw Provision”) must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any Entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions.

SECTION 1.09 – Cumulative Remedies. The rights and remedies provided in these Bylaws are cumulative. The Cooperative or any Member asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or Member from asserting other rights or remedies provided in these Bylaws.

SECTION 1.10 – Entire Agreement. Between the Cooperative and any Member, the Governing Documents:

- 1. Constitute the entire agreement; and
- 2. Supersede and replace any prior or contemporaneous oral or written communication or representation.

SECTION 1.11 – Successors and Assigns. To the extent allowed by Law:

1. The duties, obligations, and liabilities imposed upon the Cooperative or any Member by these Bylaws are binding upon the successors and assigns of the Cooperative or Member; and
2. The rights granted to the Cooperative by these Bylaws inure to the benefit of the Cooperative's successors and assigns.

The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative and any Member does not relieve the Cooperative or Member of the duties, obligations, and liabilities imposed by these Bylaws upon the Cooperative or Member.

SECTION 1.12 – Waiver. The failure of the Cooperative to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

SECTION 1.13 – Lack of Notice. To the extent allowed by Law and the Articles, the failure of any Member or Director to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or Board.

