

**AMENDED AND RESTATED BYLAWS  
OF  
TIPMONT RURAL ELECTRIC MEMBERSHIP CORPORATION**

As adopted by the Board of Directors on November 3, 2015

First Revision – October 26, 2016

Second Revision – December 20, 2016

Third Revision – April 18, 2017

Fourth Revision – March 20, 2018

Article 1 – General

**SECTION 1.01 – Usage.** Within these Bylaws of Tipmont Rural Electric Membership Corporation (“Cooperative”) as currently existing or as later amended (“Bylaws”), except as otherwise provided and subject to the context requiring otherwise:

- (1) words and phrases have their customary and ordinary meaning;
- (2) the singular use of a word includes the plural use and the plural use of a word includes the singular use;
- (3) the masculine use of a word includes the feminine and neutral uses, the feminine use of a word includes the masculine and neutral uses, and the neutral use of a word includes the masculine and feminine uses;
- (4) the present tense of a word includes the past and future tenses, and the future tense of a word includes the present tense;
- (5) the words “shall” and “must” are words of obligation, with “shall” meaning “has a duty to” and “must” meaning “is required to;”
- (6) the word “may” is a word of discretion meaning “has discretion to,” “is permitted to,” “is authorized to,” or “is entitled to;”
- (7) the words “may ... only” are words of limited discretion and prohibition;
- (8) the words “shall not,” “must not,” and “may not” are words of prohibition, with “shall not” meaning “has a duty not to,” “must not” meaning “is required not to,” and “may not” meaning “has no discretion to,” “is not permitted to,” “is not authorized to,” and “is not entitled to;”
- (9) an exception to a word of obligation is a word of discretion and an exception to a word of discretion is a word of prohibition;
- (10) the words “except as otherwise provided,” “subject to,” and similar words are words of limitation and exception;
- (11) the words “include,” “includes,” and “including” mean “include without limitation,” “includes without limitation,” and “including without limitation;”
- (12) the word “or” is inclusive, with “A or B” meaning “A or B or both;” and
- (13) the word “individual” means a “natural person” or “human being.”

**SECTION 1.02 – Defined Terms.** These Bylaws define certain words, phrases, and terms (“Defined Terms”). In general, Defined Terms are: (1) defined in a full sentence or part of a sentence; (2) capitalized, underlined, and enclosed within quotation marks when defined; (3) enclosed within parenthesis when defined in part of a sentence; and (4) capitalized when otherwise

used in these Bylaws. Except as otherwise provided in these Bylaws and subject to the context requiring otherwise, Defined Terms have the meaning specified in the appropriate bylaw.

The following Defined Terms are defined in the bylaw noted in parenthesis:

- Amended (9.02); Annual Member Meeting (3.01); Applicant (2.02); Appraisal (8.01); Articles (1.03); Assets (2.02);
- Board (2.01); Board Committee (5.07); Board Executive Committee (5.08); Board Meeting (5.03); Bylaws (1.01); Bylaw Provision (9.08);
- C&E Committee (3.14); Capital Credits (7.02); Close Relative (4.12); Conflict of Interest Transaction (5.10); Consolidate (8.02); Consolidation Agreement (8.02); Cooperative (1.01); Cooperative Equipment (2.02); Cooperative Official (2.04); Cooperative Purpose (2.08); Cooperative Service (2.01); Cooperative Service Area (4.01); Cooperative Subsidiary (2.08);
- Defined Terms (1.02); Director (2.05); Director Districts (4.01); Director Qualifications (4.03); Director Quorum (5.06); Director Removal Petition (4.08); Director Term (4.06); Director Written Consent (5.05);
- Electing Members (4.05); Electronic (9.01); Electronically (9.01); Electronic Document (9.01); Entity (2.01);
- General Director Qualifications (4.03); Governing Documents (2.02);
- Indemnification Advance (6.12); Indemnification Director or Required Officer (6.12); Indemnification Director Quorum (6.12); Indemnification Expenses (6.12); Indemnification Individual (6.12); Indemnification Party (6.12); Indemnification Proceeding (6.12); Indemnification Standard of Conduct (6.12); Independence Director Qualification (4.03);
- Joint Members (2.05); Joint Membership (2.05);
- Law (1.03);
- Member (2.03); Member Challenge (3.14); Member Committee (5.07); Member Demand (3.02); Member Equipment (2.02); Member Meeting (3.03); Member Meeting Issues (3.14); Member Meeting List (3.07); Member Meeting Waiver of Notice (3.08); Member Petition (4.04); Member Petition Nominations (4.04); Member Property (2.06); Member Quorum (3.10); Member Voting Document (3.13); Member Written Consent (3.04); Membership Director Qualifications (4.03); Membership List (2.11); Membership Procedures (2.02); Merge (8.02); Merger Agreement (8.02);
- New Entity (8.02); Nominating Committee (4.4); Nominating Members (4.4);
- Person (2.01); Provided (2.01);
- Reasonable Reserves (7.06); Record Date (3.06); Regular Board Meeting (5.01); Regular Member Meetings (3.01); Required Officers (6.01);
- Special Board Meeting (5.02); Special Member Meeting (3.02); Suspension Reasons (2.09);
- Total Membership (3.02); Transfer (8.01);
- Usage Information (2.06); Uses (2.01); and
- Written Ballot (3.11).

**SECTION 1.03 – Law and Articles.** These Bylaws are subject to Law and the Articles of Incorporation of the Cooperative (“Articles”). If, and to the extent that, a bylaw conflicts with Law or the Articles, then the Law or Articles control. “Law” includes applicable:

- (1) local, state, and federal constitutions, statutes, ordinances, regulations, holdings, rulings, orders, and similar documents or actions, whether legislative, executive, or judicial; and
- (2) legally binding contracts enforceable by or against the Cooperative, including legally binding contracts between the Cooperative and an Applicant or Member.

## Article 2 – Cooperative Membership

**SECTION 2.01 – Member Qualifications.** Except as otherwise provided in these Bylaws, an individual or Entity may become and remain a member of the Cooperative only if: (1) the individual or Entity is a person with the capacity to enter legally binding contracts (“Person”); and (2) the Person consumes, receives, purchases, or otherwise uses (“Uses”), or requests or agrees to Use electric energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided (“Provided”) by the Cooperative. Although the Cooperative may choose to offer goods and/or services to its members other than electric energy, as determined by the Cooperative’s Board of Directors (“Board”), only a Person’s Use of electric energy Provided by the Cooperative shall entitle that Person to membership in the Cooperative. Such additional goods and/or services Provided by the Cooperative, together with electric energy, are collectively referred to as “Cooperative Services”.

An “Entity” includes a domestic or foreign: cooperative; business or nonprofit corporation; limited liability company; partnership; trust; estate; persons having a joint or common economic interest; and local, regional, state, federal, or national government, including an agency or division of a government.

A Person, either individually or through an Entity not considered legally separate from the Person, may not hold more than one membership in the Cooperative.

**SECTION 2.02 – Membership Procedure.** Except as otherwise provided in these Bylaws or by the Board, a qualified Person seeking to become or remain a Member (“Applicant”) must complete the procedures stated in this Bylaw to the Cooperative’s satisfaction (“Membership Procedures”) within a reasonable time of initially Using, or requesting or agreeing to Use, electric energy Provided by the Cooperative.

To become or remain a Member, an Applicant must complete a membership application provided by the Cooperative (which may be completed in hardcopy, by phone, online or by another manner acceptable to the Board) in which the Applicant agrees to:

- (1) comply with the Governing Documents;
- (2) 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;

- (3) be a Member; and
- (4) at 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: (A) Cooperative Services Provided to the Applicant; (B) dues, assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and (C) interest, late payment fees, and collection costs, including attorney and collection fees, related to amounts owed, but not timely paid, to the Cooperative.

The “Governing Documents” are the written membership application (which may be completed in hardcopy, by phone, online, or by another means acceptable to the Board) from an Applicant or Member 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, the Provision and Use of Cooperative Services, Cooperative Equipment, and Member Equipment connected to Cooperative Equipment; (2) the Articles; (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.

“Cooperative Equipment” is a product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative. “Member Equipment” is a product, equipment, structure, facility, or other good: (1) owned, controlled, operated, or furnished by an Applicant or Member; and (2) located on property owned, controlled, operated, or furnished by an Applicant or Member.

To become or remain a Member, an Applicant must: (1) give the Cooperative all information requested by the Cooperative; and (2) complete any additional or supplemental document, contract, or action required by the Board for the Cooperative Service which the Applicant is Using or requesting or agreeing to Use. 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.

Except as otherwise provided in these Bylaws or by the Board, an Applicant shall pay the Cooperative: (1) dues, assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and (2) outstanding amounts owed to the Cooperative by the Applicant. An Applicant consents to receiving calls or text messages, including from an automatic telephone dialing system, or an artificial or prerecorded voice, from the Cooperative or others calling at the Cooperative’s request or on its behalf, on any number the Applicant provides to the Cooperative, including a mobile, wireless, or similar device, to address the Cooperative’s Provision of a Cooperative Service or the Applicant’s Use of a Cooperative Service.

**SECTION 2.03 – Membership.** Except as otherwise provided in these Bylaws or by the Board, a qualified Person becomes a member of the Cooperative (“Member”) and consents to being a Member upon Using, or requesting or agreeing to Use, electric energy Provided by the Cooperative and completing the Membership Procedure. The Cooperative may issue membership

certificates to Members in a manner, method, and form determined by the Board. The Cooperative must make available to each new Member a copy of these Bylaws.

If the Board determines that a qualified Person is unable to complete the Membership Procedure, then the Board may refuse, suspend, or terminate the Person's membership in the Cooperative. For other good cause determined by the Board, the Board may refuse a qualified Person membership in the Cooperative.

Except as otherwise provided in these Bylaws or by the Board in advance and in writing, a Cooperative membership, and a right or privilege associated with the Cooperative membership, may not be sold, purchased, assigned, disposed of, acquired, or otherwise transferred.

**SECTION 2.04 – Membership Agreement.** A Member shall: (1) comply with the Governing Documents; (2) provide and maintain a current mailing address and telephone number with the Cooperative; and (3) 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. If and as requested by the Cooperative, a Member shall correct or remedy, or pay to correct or remedy, the Member's failure to comply with the Governing Documents. If a Member fails to comply with the Governing Documents, then, as provided in these Bylaws, the Cooperative may suspend or terminate the Member or a Cooperative Service Provided to the 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 Articles and these Bylaws are contracts between the 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, if the dispute cannot be settled through negotiation, and if requested by the Cooperative, 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.

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 Director, Required Officer, employee, agent, or representative ("Cooperative Official"), and caused by the negligence, gross negligence, or willful misconduct of the Member or a non-Member occupying the location where the Member receives a Cooperative Service, or by the unsafe or defective condition of a location where the Member receives a Cooperative Service.

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 consents to receiving calls or text messages, including from an automatic telephone dialing system, or an artificial or prerecorded voice, from the Cooperative, or others calling at the Cooperative's request or on its behalf, on any number the Member provides to the Cooperative, including a mobile, wireless, or similar device, to address the Cooperative's Provision of a Cooperative Service or the Member's Use of a Cooperative Service. A Member may revoke consent by contacting the Cooperative at 1-800-726-3953 or PO Box 20, Linden, IN 47955 and informing the Cooperative of the Member's preferences. Should a Member's provided telephone number change, the Member must contact the Cooperative at 1-800-726-3953 or PO Box 20, Linden, IN 47955 to inform the Cooperative of the change.

**SECTION 2.05 – Joint Membership.** Persons who qualify to be Members may hold a joint membership in the Cooperative ("Joint Membership"). A Joint Membership may consist only of individuals occupying the same location to or for which the Cooperative Provides or will Provide a Cooperative Service, each of whom qualifies to be a Member.

(a) Creating a Joint Membership. Except as otherwise provided in these Bylaws, to become or remain joint members of the Cooperative, qualified Persons must jointly complete the Membership Procedures within a reasonable time of initially Using, or requesting or agreeing to Use, electric energy Provided by the Cooperative Used or to be Used by those Persons. Qualified Persons become joint members of the Cooperative ("Joint Members") and consent to being Joint Members in the same manner as Members become Members and consent to being Members. As provided by the Board, a Member may convert the Member's individual membership to a Joint Membership with a qualified Person. While a Joint Member, a qualified Person may not become or remain a separate, non-Joint Member by Using electric energy at a location different from the Joint Membership location.

(b) Rights and Obligations of Joint Members. Except as otherwise provided in these Bylaws, a Joint Member has and enjoys the rights, benefits, and privileges, and is subject to the obligations, requirements, and liabilities, of being a Member. Joint Members are jointly and severally liable for complying with the Governing Documents. As used in these Bylaws, and except as otherwise provided in these Bylaws, a membership includes a Joint Membership and a Member includes a Joint Member. For a Joint Membership:

- (1) notice of a meeting provided to one Joint Member constitutes notice to all Joint Members;
- (2) waiver of notice of a meeting signed by one Joint Member constitutes waiver of notice for all Joint Members;
- (3) the presence of one or more Joint Members at a meeting constitutes the presence of one Member at the meeting;
- (4) the presence of one Joint Member at a meeting waives notice of the meeting for all Joint Members;

- (5) if only one Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the Joint Membership and constitutes one vote, signature, or action;
- (6) if more than one Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the first vote, signature, or action received by the Cooperative binds the Joint Membership and constitutes one vote, signature, or action;
- (7) except upon the failure to occupy the same location to or for which the Cooperative Provides or will Provide electric energy, the suspension or termination of a Joint Member constitutes the suspension or termination of all Joint Members; and
- (8) a Joint Member qualified to be a member of the Board (“Director”) may be a Director, regardless of whether another Joint Member is qualified to be a Director, but if more than one Joint Member is qualified to be a Director, then only one Joint Member may be a Director.

(c) Terminating a Joint Membership. Joint Members shall use written forms acceptable to the Cooperative to terminate Joint Memberships. The following conditions shall apply:

- (1) if one Joint Member remains qualified to be a Member and continues to Use electric energy Provided by the Cooperative, and the other Joint Member is not qualified to be a Member or consents to having his/her name removed from the Joint Membership, then the Joint Membership converts to a sole membership comprised of the remaining Member;
- (2) if both Joint Members fail to occupy the same location where the Cooperative Provides electric energy to the Joint Membership, then the Joint Membership shall terminate and each former Joint Member who is still qualified to be a Member shall be provided with a sole membership in his/her name;
- (3) if a Joint Member dies, leaving only one other Person as the surviving Joint Member, and the surviving Joint Member remains qualified to be a Member and Uses electric energy Provided by the Cooperative, then the Joint Membership converts to a sole membership in the name of the surviving Joint Member; and
- (4) if no Joint Member remains qualified to be a Member and no Joint Member Uses electric energy Provided by the Cooperative, then the Joint Membership terminates.

**SECTION 2.06 – Provision of Cooperative Services.** 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 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 to or for which the Cooperative Provides or will Provide a Cooperative Service to a Member; (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. A Member shall: (1) protect Cooperative Equipment and Member Equipment connected to Cooperative Equipment; and (2) 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;
  - (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;
  - (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.

If Member Equipment is connected to Cooperative Equipment, then: (1) the Member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the Member Equipment; (2) the Cooperative is not liable for damage to, or for the performance of, the Member Equipment; (3) the Cooperative is not liable for damage to Member Property; (4) the Member is responsible for knowing the concerns, risks, and issues associated with operating the Member Equipment and connecting the Member Equipment to Cooperative Equipment; (5) the Member is liable for damage to, and for the nonperformance of, the Cooperative Equipment caused by the Member Equipment or the connection; and (6) the Member is liable for, and must indemnify the Cooperative against, injury or death to any Person and damage to any property caused by, or resulting from, the Member Equipment or 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; or
  - (4) an imminent hazard or danger posed by Cooperative Equipment or Member Equipment connected to Cooperative Equipment.
- (e) Usage Information. The Cooperative may use Cooperative Equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of a Cooperative Service Used by a Member, and other data or information regarding the Member's use of the Cooperative Service (collectively, "Usage Information"). The Cooperative may use, disclose, and transfer Usage Information if reasonably related to Providing a Cooperative Service or if reasonably related to protecting against, or responding to, death, personal injury, or property damage. The Cooperative shall reasonably protect Usage Information.

**SECTION 2.07 – Use of Cooperative Service.** In Using a Cooperative Service, a Member shall comply with the Governing Documents.

- (a) Payment for Cooperative Service. At prices, rates, or amounts determined by the Board, pursuant to terms, conditions, time, and manner specified by the Cooperative, and regardless of the amount or time billed, a Member shall pay the Cooperative for: (1) Cooperative Services Provided to the Member or Provided to or for a location where the Member receives Cooperative Services; and (2) dues, assessments, fees, deposits, contributions, or other amounts required by the Governing Documents. Dues, assessments, contributions, or other amounts paid by a Member to the Cooperative may pay for periodical subscriptions received by the Member from the Cooperative or from an Entity in which the Cooperative is a member or owner.

If the Cooperative sends a Member a bill, invoice, or similar document reflecting an incorrect or inaccurate amount owed, then: (1) the Cooperative may send the Member another bill, invoice, or similar document reflecting the correct and accurate amount owed and (2) the Member shall pay the correct and accurate amount owed. The Cooperative may require a Member to pay for a Cooperative Service in advance of Using the Cooperative Service.

If another Person Provides a Member a good or service related to a Cooperative Service Provided to the Member, then, before paying the other Person: (1) the Member shall pay the Cooperative; and (2) the Cooperative shall apply amounts received from or on behalf of the Member for or toward Cooperative Services Provided to the Member or Provided to or for a location at which the Member receives a Cooperative Service.

As provided by the Board: (1) a Member shall pay interest, compounded periodically, and late payment fees for amounts owed, but not timely paid, to the Cooperative; (2) a Member shall pay all costs, including reasonable attorney and collection fees, required to collect or obtain payment of amounts owed, but not timely paid, to the Cooperative; (3) the Cooperative may transfer an amount owed, but not timely paid, on a Member's account to another account of the Member; and (4) regardless of the Cooperative's accounting procedures, the Cooperative may apply amounts paid by a Member to all of the Member's accounts on a pro rata basis.

- (b) Reduction of Cooperative Service. Except as otherwise provided in these Bylaws, unless the Cooperative receives not less than sixty (60) days' prior written notice from a Member that the Member intends to substantially reduce or cease the Member's Use of a Cooperative Service, and as provided by the Board, if a Member substantially reduces or ceases the Member's Use of a Cooperative Service, either singly or in combination, then the Cooperative may charge the Member, and the Member shall pay the Cooperative, the costs and expenses incurred by the

Cooperative in relying upon the Member's pre-reduction or pre-ceasing Use of the Cooperative Service.

- (c) Sale of Cooperative Service. Except as otherwise provided by the Board, a Member may not sell, lease, or otherwise transfer electric energy or any other Cooperative Service Provided by the Cooperative or a right to electric energy or another Cooperative Service Provided by Cooperative.

**SECTION 2.08 – Grant of Property Rights.** As required by the Cooperative for a Cooperative Purpose, a Member shall: (1) provide the Cooperative and any majority-owned subsidiary of the Cooperative (a "Cooperative Subsidiary") safe and reliable access to or use of Member Property; and (2) pursuant to terms and conditions specified by the Cooperative or a Cooperative Subsidiary, and without compensation from the Cooperative or a Cooperative Subsidiary, grant or convey to the Cooperative or a Cooperative Subsidiary a written or oral easement, right-of-way, license, or other right or interest in Member Property, and execute a document regarding this grant or conveyance.

A "Cooperative Purpose" is at any time, and in a manner determined by the Cooperative or a Cooperative Subsidiary: (1) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative Equipment or Member Equipment connected to Cooperative Equipment; (2) clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation; (3) Providing a Cooperative Service to a Member or one or more other Members; (4) monitoring, measuring, or maintaining a Cooperative Service Provided to a Member or one or more other Members; (5) Providing a Cooperative Service to a Person or one or more other Persons; (6) monitoring, measuring, or maintaining a Cooperative Service Provided to a Person or one or more other Persons; (7) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative or a Cooperative Subsidiary regarding use of Cooperative Equipment; or (8) safely, reliably, and efficiently operating the Cooperative or Providing a Cooperative Service. If reasonably needed for safety, reliability, efficiency, or similar reasons, a Cooperative Purpose includes clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation located outside an easement, right-of-way, license, or other right or interest in Member Property.

**SECTION 2.09 – Member Suspension.** The Cooperative may suspend a Member for the following reasons ("Suspension Reasons"):

- (1) as provided in the Governing Documents;
- (2) as determined by the Board for good cause;
- (3) the Member is no longer qualified to be a Member;
- (4) the Member does not timely pay an undisputed amount due the Cooperative;
- (5) the Member violates or does not timely comply with the Governing Documents;
- (6) the Member ceases Using electric energy Provided by the Cooperative; or
- (7) the Member requests suspension.

Except as otherwise provided in these Bylaws or by the Board, a Member is suspended upon:

- (1) the Member's request for suspension; or
- (2) the Cooperative: (A) providing the Member written notice of the Member's possible suspension and the applicable Suspension Reason at least fifteen (15) days before the possible suspension; (B) notifying the Member that the Member has a right to, and allowing the Member an opportunity to, comment upon the Suspension Reason orally or in writing at least five (5) days after the Cooperative provides the notice; and (C) determining to suspend the Member.

The Cooperative must provide any written suspension notice to the Member's most current address shown on the Membership List.

Upon a Member's suspension:

- (1) other than the Cooperative's obligation to retire and pay Capital Credits, and other than the Cooperative's obligations regarding dissolution, the Cooperative's duties, obligations, and liabilities imposed by the Governing Documents for the Member cease and the Cooperative may cease Providing a Cooperative Service to the Member; and
- (2) other than the Member's right to receive retired and paid Capital Credits, and other than the Member's rights upon the Cooperative's dissolution, the Member forfeits and relinquishes rights provided in the Governing Documents, but remains subject to obligations imposed by the Governing Documents. In particular, a suspended Member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in the Governing Documents.

Unless the Cooperative determines otherwise, a Member's suspension is lifted upon the Member rectifying the applicable Suspension Reason within ten (10) days of the suspension. The Cooperative may lift a Member suspension for good cause determined by the Board.

**SECTION 2.10 – Member Termination.** Except as otherwise provided in these Bylaws, a Member is terminated upon: (1) the Member's death, legal dissolution, or legal cessation of existence; (2) the Member requesting termination; or (3) the Member's capital account balance having been completely retired. Except as otherwise provided by the Board, a partnership Member continuing to Use a Cooperative Service is not suspended or terminated upon the death of a partner or following any other alteration in the partnership. A partner departing a partnership Member remains liable to the Cooperative for Cooperative Services Provided to or for the Member before, and amounts owed to the Cooperative by the Member at the time of, the partner's departure.

Termination of a Member does not: (1) release the Member from debts, liabilities, or obligations owed to the Cooperative; or (2) release the Cooperative from the obligation to retire and pay Capital Credits to the former Member or obligations to the former Member regarding the Cooperative's dissolution. Upon a Member's termination from the Cooperative, and after deducting amounts owed to the Cooperative, the Cooperative must return to the Member any amount provided in the Governing Documents.

**SECTION 2.11 – Membership List.** The Cooperative shall maintain an Electronic record of current Members in a form permitting the Cooperative to alphabetically list the names and addresses of all Members (“Membership List”).

Except as otherwise provided by these Bylaws or the Board, a Person may not inspect, copy, or receive a copy of all or part of the Membership List or a similar list of Members.

Pursuant to this Bylaw and in a manner determined by the Board, upon delivery to the Cooperative at least five (5) days in advance of a written notice or request signed by a Member who has been unsuspended during the immediately preceding twelve (12) months, the Member, or the Member’s agent or attorney, may: (1) inspect and copy the Membership List during regular business hours at a reasonable location specified by the Cooperative; or (2) pay the Cooperative a reasonable charge determined by the Cooperative covering the labor and material costs of producing, reproducing, copying, or transmitting the Membership List, which charge may not exceed the estimated costs of producing, reproducing, copying, or transmitting the Membership List, and the Cooperative must provide the Member an Electronic, or if requested, written, copy of the Membership List.

A Member, Member’s agent, or Member’s attorney, however, may inspect, copy, or receive a copy of the Membership List only if, as determined by the Cooperative: (1) the Member’s notice or request is made in good faith and for a proper purpose; (2) the Member describes with reasonable particularity the purpose for which the Member will use the Membership List; and (3) the Membership List is directly connected with the Member’s purpose.

Except as otherwise provided by the Board, a Person may not: (1) obtain or use all or part of the Membership List for a purpose unrelated to a Member’s interest as a Member; (2) use all or part of the Membership List to solicit money or property, unless the money or property is used solely to solicit Member votes in a Cooperative election or vote; (3) use all or part of the Membership List for a commercial purpose; or (4) sell or purchase all or part of the Membership List.

Except as otherwise provided by the Board, a Person shall comply with any reasonable terms, conditions, or requirements imposed by the Cooperative to protect against use of all or part of the Membership List for improper purposes or prohibited uses.

Instead of making the Membership List available for inspection or copying, or providing a copy of the Membership List, the Cooperative may, within five (5) days of receiving a notice or request from a Member, offer the Member an alternative method for reasonably and timely accomplishing the purpose identified by the Member without providing access to or a copy of the Membership List.

Except as otherwise provided by these Bylaws or the Board, the Cooperative may not sell, transfer, disclose, distribute, or otherwise dispose of all or part of the Membership List or a similar list or record of Members or Member information, other than to a Cooperative Subsidiary or Cooperative affiliate for use in Providing Cooperative Services.

## Article 3 – Member Meetings and Member Voting

**SECTION 3.01 – Annual and Regular Member Meetings.** Within a county in which the Cooperative Provides electric energy, the Cooperative: (1) shall annually hold a meeting of Members (“Annual Member Meeting”); and (2) may regularly hold meetings of Members (“Regular Member Meetings”).

The Board must determine the date, time, and location of an Annual or Regular Member Meeting. Unless the Board determines otherwise, the Chairperson or the Chairperson’s designee presides over the Annual or Regular Member Meeting. The Cooperative’s failure to hold an Annual or Regular Member Meeting does not affect an action taken by the Cooperative.

At the Annual Member Meeting: (1) the Chairperson shall provide a written or oral report regarding the activities of the Cooperative; and (2) the Treasurer shall provide a written or oral report regarding the financial condition of the Cooperative.

**SECTION 3.02 – Special Member Meetings.** Within a county in which the Cooperative Provides electric energy, the Cooperative shall hold a special meeting of Members (“Special Member Meeting”) upon receiving: (1) a written or oral request from the Board or Chairperson; or (2) one or more written demands signed and dated within sixty (60) days after the first signature by at least five percent (5%) of the total number of unsuspended Members (“Total Membership”), with each page of each written demand requesting and describing the purpose of the meeting (“Member Demand”).

The Board shall determine the date, time, and location of a Special Member Meeting. Unless the Board determines otherwise, the Chairperson or the Chairperson’s designee presides over the Special Member Meeting.

If the Cooperative does not notify Members of a Special Member Meeting within thirty (30) days of receiving a Member Demand, then a Member signing the Member Demand may: (1) set a reasonable time, place, and location for the Special Member Meeting; and (2) notify Members of the Special Member Meeting.

**SECTION 3.03 – Agenda, Attendance, and Action at Member Meetings.** Except as otherwise provided in these Bylaws, before or at an Annual, Regular, or Special Member Meeting (“Member Meeting”), the Board: (1) shall determine the agenda, program, or order of business for the Member Meeting; and (2) may limit attendance at the Member Meeting to Members and a specified number Member-invited guests.

Except as otherwise provided by the Board before or at a Member Meeting, the Chairperson or an individual designated by the Chairperson: (1) shall preside at the Member Meeting; (2) may remove a Person from the Member Meeting for unruly, disruptive, or similar behavior; and (3) may exercise power reasonably necessary for efficiently and effectively conducting the Member Meeting.

Except as otherwise provided by the Board before or at a Member Meeting, Members attending the Member Meeting may consider, vote, or act only upon a matter described in the notice of the Member Meeting. Members attending a Special Member Meeting may consider, vote, or act only upon a matter described in the notice of the Special Member Meeting. Members may raise or discuss a matter at a Member Meeting if: (1) at least five percent (5%) of unsuspended Members sign one or more written requests to raise or discuss the matter; and (2) the Cooperative receives all written requests at least thirty (30) days before the Member Meeting.

The Board or Chairperson may establish rules for conducting a Member Meeting, which rules must be: (1) fair to the Members; and (2) communicated or made available to the Members at least ten (10) days before the Member Meeting.

**SECTION 3.04 – Member Action Without a Member Meeting.** Except as otherwise provided in these Bylaws, Members may not act without a Member Meeting.

In a manner determined by the Board, Members may act without a Member Meeting if the Cooperative receives one or more written consents signed and dated within sixty (60) days after the first signature by at least eighty percent (80%) of the Total Membership, with each page of each written consent approving and describing the action (“Member Written Consent”).

Material soliciting approval of an 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 before the Cooperative receives the Member Written Consent. A Member’s consent may not be procured through fraud or other improper means. As determined by the Cooperative, a Member’s 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 must notify, in writing, all Members regarding an action approved by Member Written Consent and the action is effective ten (10) days after the Cooperative provides this notice.

**SECTION 3.05 – Notice of Member Meetings.** As directed by the Chairperson, Secretary, or any other Required Officer or Member properly calling the Member Meeting, the Cooperative shall deliver written notice of a Member Meeting personally or by mail, either with or without other documents, to all Members entitled to vote at the meeting. This notice must indicate the date, time, and location of the meeting and must be delivered at least ten (10) days, but no more than thirty (30) days, before the meeting. For a Member Meeting, this notice must describe any matter to be considered, voted or acted upon at the meeting.

Except as otherwise provided in these Bylaws, a mailed notice of a Member Meeting is delivered when deposited in the United States mail with prepaid postage affixed and addressed to a Member at the Member’s address shown on the Membership List. The good faith, inadvertent, and unintended failure of a Member to receive notice of a Member Meeting does not affect an action taken at the Member Meeting.

Except as otherwise provided in these Bylaws, the Cooperative shall notify Members of a Member Meeting adjourned to another date, time, or location unless: (1) the meeting is adjourned to another date occurring within sixty (60) days following the original Member Meeting date; and (2) the new date, time, or location is announced at the Member Meeting prior to adjournment.

**SECTION 3.06 – Record Date.** A “Record Date” is the date for determining the Total Membership and the Members entitled to: (1) sign a Member petition, request, demand, consent, appointment, or similar document; (2) receive notice of a Member Meeting, or similar document; or (3) vote or otherwise act. If a Member is suspended after the Record Date, then the Member may not sign a document, receive a document, or vote or otherwise act.

The Board may fix the Record Date, but the Record Date must not be more than seventy (70) days before the date the first Member signs a Member petition, request, demand, consent, appointment, or similar document. Except as otherwise provided by the Board, the Record Date for determining the Total Membership and the Members entitled to: (1) sign a Member petition, request, demand, consent, appointment, or similar document is the date the first Member signs the document; (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) for voting or otherwise acting 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 notice of, or to vote at, a Member Meeting is effective for a Member Meeting adjourned to a date not more than seventy (70) days after the original Member Meeting date.

**SECTION 3.07 – Member Meeting List.** For a Member Meeting, the Cooperative shall prepare and maintain a written or Electronic alphabetical list stating the name and address of each Member entitled to receive notice of and to vote at the Member Meeting (“Member Meeting List”).

Except as otherwise provided by these Bylaws or the Board, a Person may not inspect, copy, or receive a copy of all or part of the Member Meeting List or a similar list of Members.

Pursuant to this Bylaw and in a manner determined by the Board, the Cooperative may make the Member Meeting List available at the Member Meeting and a Member, or the Member’s agent, may inspect the Member Meeting List at any time during the meeting.

In a manner determined by the Board, the Cooperative shall make the Member Meeting List available for inspection beginning two (2) business days after the Cooperative provides notice of the meeting, and continuing until the meeting, at: (1) the Cooperative’s principal office; or (2) a reasonable place identified in the notice of the Member Meeting and located in the city in which the Member Meeting will be held.

In a manner determined by the Board, upon written demand and during regular business hours during the period a Member Meeting List is available for inspection, a Member or the Member’s agent may: (1) inspect the Member Meeting List; (2) copy the Member Meeting List at the Member’s expense; or (3) pay the Cooperative a reasonable charge determined by the Cooperative covering the labor and material costs of producing, reproducing, copying, and



transmitting the Member Meeting List, which charge may not exceed the estimated cost of producing, reproducing, copying, or transmitting the Member Meeting List, and the Cooperative must provide the Member an Electronic, or if requested, written, copy of the Member Meeting List.

A Member or Member's agent, however, may copy or receive a copy of the Member Meeting List only if, as determined by the Cooperative: (1) the Member's demand is made in good faith and for a proper purpose; (2) the Member describes with reasonable particularity the purpose for which the Member will use the Member Meeting List; and (3) the Member Meeting List is directly connected with the Member's purpose.

Except as otherwise provided by the Board, a Person may not: (1) obtain or use all or part of the Member Meeting List for a purpose unrelated to a Member's interest as a Member; (2) use all or part of the Member Meeting List to solicit money or property, unless the money or property is used solely to solicit Member votes in a Cooperative election or vote; (3) use all or part of the Member Meeting List for a commercial purpose; or (4) sell or purchase all or part of the Member Meeting List.

Except as otherwise provided by the Board, a Person shall comply with any reasonable terms, conditions, or requirements imposed by the Cooperative to protect against use of all or part of the Member Meeting List for improper purposes or prohibited uses.

Instead of making the Member Meeting List available for inspection or copying, or providing a copy of the Member Meeting List, and as stated in the notice of a Member Meeting, the Cooperative may, within ten (10) days of receiving a demand from a Member stating a proper purpose for inspection, offer the Member an alternative method for reasonably and timely accomplishing the purpose identified by the Member without providing access to or a copy of the Member Meeting List.

Except as otherwise provided by these Bylaws or the Board, the Cooperative may not sell, transfer, disclose, distribute, or otherwise dispose of all or part of the Member Meeting List or a similar list or record of Members or Member information, other than to a Cooperative Subsidiary or Cooperative affiliate for use in Providing Cooperative Services.

**SECTION 3.08 – Member Waiver of Notice.** In a manner determined by the Board, a Member may waive notice of a Member Meeting, or of a matter to be considered, or voted or acted upon, at a Member Meeting, by signing and delivering to the Cooperative a written or Electronic waiver of notice ("Member Meeting Waiver of Notice") either before the Member Meeting or within thirty (30) days after the Member Meeting.

Unless a Member objects to holding a Member Meeting, or to transacting business at the Member Meeting, the Member's attendance in person at the 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, or voting or acting upon, a matter at a Member Meeting, the 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 3.09 – Member Voting by Mail or Electronic Ballot.** Except as otherwise provided in these Bylaws or by the Board, a Member may not vote or act by mail or Electronic transmission.

**SECTION 3.10 – Member Quorum.** A quorum of Members is two percent (2%) of the Total Membership (“Member Quorum”). The Board may not amend this Bylaw to increase or decrease the Member Quorum.

If less than the Member Quorum are present in person at a Member Meeting, then a majority of Members attending the Member Meeting in person may adjourn the Member Meeting without further notice.

Upon a Member being present for any purpose at a Member Meeting, the Member is deemed present for Member Quorum purposes for the remainder of the Member Meeting and for any adjourned Member Meeting, unless a new Record Date is, or must be, set for that adjourned Member Meeting.

**SECTION 3.11 – Member Voting.** If a Member presents identification or proof of Cooperative membership as reasonably required by the Cooperative, and if the Member is not suspended on the Record Date and remains unsuspended after the Record Date, then, regardless of the value or quantity of electric energy or other Cooperative Services Used, the Member may cast one (1) vote on a matter for which the Member is entitled to vote. To vote for an Entity Member, an individual must present evidence requested by and satisfactory to the Cooperative that the individual is authorized to vote for the Entity Member. Unless an Entity Member authorizes another individual to vote for the Entity Member, the Entity Member’s chief executive officer, managing owner, or majority owner is authorized to vote for the Entity Member. If more than one individual is authorized to vote for an Entity Member, then the first vote cast is the Entity Member’s vote.

Except as otherwise provided in these Bylaws, Members approve a matter if: (1) a Member Quorum is present in person; and (2) a majority of Members present in person, who are entitled to vote on the matter, vote in favor of the matter. To approve a matter, the votes cast for the matter must equal or exceed a majority of the Member Quorum.

At a 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 in any other reasonable manner determined by the individual presiding over the Member vote. Members may not cumulate votes. Agreements signed by Members providing the manner in which a Member will vote are not valid.

**SECTION 3.12 – Member Voting by Member Proxy.** A Member may not appoint another individual to vote on any matter.

**SECTION 3.13 – Accepting and Rejecting Member Voting Documents.** For a Member Written Consent, Member Meeting Waiver of Notice, or other document allegedly executed by, or on behalf of, a Member (collectively, “Member Voting Document”):

- (1) the Cooperative may accept, and give effect to, the Member Voting Document if: (A) the name signed on the Member Voting Document corresponds to a Member’s name, and the Cooperative acts in good faith; or (B) the Cooperative reasonably believes the Member Voting Document is valid and authorized;
- (2) the Cooperative may reject, and not give effect to, the Member Voting Document if the Cooperative: (A) acts in good faith; and (B) has a reasonable basis for doubting the validity of the signature on the Member Voting Document or the validity of the signatory’s authority to sign on behalf of the Member; and
- (3) the Cooperative, and a Cooperative Member or Official, are not liable to a Member for accepting or rejecting a Member Voting Document as provided in this Bylaw.

**SECTION 3.14 – Credentials and Election Committee.** Before a 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 unsuspended Members between three (3) and nine (9).

- (a) C&E Committee Members. A C&E Committee member must not be: (1) a member of the Nominating Committee; or (2) an existing, or a Close Relative of an existing, Cooperative Official or known Director candidate. As determined by the Board, the Cooperative may reasonably compensate or reimburse C&E Committee members.
- (b) C&E Committee Duties. During, or within a reasonable time before or after, the Member Meeting for which the C&E Committee was appointed, the C&E Committee shall:
  - (1) elect a chairperson and secretary;
  - (2) establish, or approve, the manner or method of Member registration and voting;
  - (3) oversee or supervise Member registration and voting, and the tabulation of Member votes; and
  - (4) consider and decide all questions, issues, or disputes regarding: (A) Member registration and voting, including the determination of Members present; (B) the tabulation or count of Member votes, including the determination of vote results; (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. A C&E Committee decision or action requires a vote of at least a majority of the C&E Committee members present and voting. Except as otherwise provided in this Bylaw, C&E Committee decisions or actions during, or within a reasonable

time before or after, 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. A Member entitled to vote at a Member Meeting may comment upon a Member Meeting Issue, or challenge the C&E Committee's decision or action regarding a Member Meeting Issue, by filing a written description of the Member's comment 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 a Member Challenge, the C&E Committee shall:

- (1) as determined by the C&E Committee, meet and receive oral or written evidence from a Member, or legal counsel representing a Member, directly and substantially implicated in, or affected by, the Member Challenge; and
- (2) consider, decide, and rule on the Member Challenge.

The C&E Committee's decision regarding a Member Challenge is final. Upon written request by a Member received by the C&E Committee within thirty (30) days of a C&E Committee decision or action, the C&E Committee shall prepare a written report summarizing and explaining the C&E Committee's decision or action. The failure of the Cooperative or the C&E Committee to act as required by this Bylaw shall not, by itself, affect a vote, Director election, or other action taken at a Member Meeting.

## Article 4 – Board of Directors

**SECTION 4.01 – Director Districts**. Based upon geographic, regional, population, membership, subdivision, economic development, permanent or full residency, seasonal or partial residency, or other equitable consideration determined by the Board, the Board shall divide the general area in which the Cooperative Provides 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.

If a Member Uses electric energy at locations in more than one Director District, then the Member Uses electric energy at a location in the Director District in which the Member first Used, and continues to Use, electric energy.

As necessary, the Board may revise the Director Districts to ensure that the Director Districts equitably represent the Members. Within thirty (30) days following a Director District revision, and at least thirty (30) days before the next Annual Member Meeting, the Cooperative must notify, in writing or Electronically, Members affected by the Director District revision.

Director District revisions are effective on the date the Cooperative releases written or Electronic notice of the Director District revision. A Director District revision may not: (1) increase an existing Director's Director Term; or (2) unless the affected Director consents in writing, shorten an existing Director's Director Term.

**SECTION 4.02 – Board.** The Cooperative shall have a Board that equitably represents the Members and is composed of not less than seven (7) Members: (A) Using a Cooperative Service at a location within a Director District; (B) nominated by the Members Using electric energy within the Cooperative Service Area; and (C) elected by the Members Using electric energy within the Cooperative Service Area.

Except as otherwise provided in these Bylaws:

- (1) Cooperative powers must be exercised by the Board, or under the Board's authority;
- (2) Cooperative activities and affairs must be managed under the Board's direction and subject to the Board's oversight; 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 Governing Documents authorize a Person to exercise a 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 4.03 – Director Qualifications.** A Director or Director candidate must comply with this Bylaw. The Cooperative may conduct an investigation, or require information, to determine whether a Director or Director candidate complies with this Bylaw.

- (a) General Director Qualifications. To become and remain a Director, a Person must comply with the following general qualifications ("General Director Qualifications"):
  - (1) Be an individual;
  - (2) Have the capacity to enter legally binding contracts;
  - (3) Be lawfully present in the United States of America;
  - (4) Not have been previously removed or disqualified as a Director;
  - (5) While a Director, and during the five (5) years immediately before becoming a Director, not be convicted of, or plead guilty to, a felony;
  - (6) Except as otherwise provided by the Board for good cause, receive a Credentialed Cooperative Director designation, Director's Certificate, or similar designation or certification from the National Rural Electric Cooperative Association within three (3) years of becoming a Director;
  - (7) Before becoming a Director, graduate from high school or earn an equivalent degree or certification;
  - (8) Except as otherwise provided by the Board for good cause, 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 Members, Annual

Board Planning Session and Annual Budget Meeting shall be considered Board Meetings; and

- (9) Comply with any other reasonable qualifications determined by the Board.
- (b) Membership Director Qualifications. To become and remain a Director, an individual must, while a Director and during the one (1) year immediately prior to becoming a Director, comply with the following membership qualifications (“Membership Director Qualifications”):
- (1) Be a Member and not commit a Suspension Reason; and
  - (2) For at least ten (10) months each calendar year occupy as a primary residence and Use electric energy Provided by the Cooperative at a location within the Director District from which the Director is nominated or elected.
- (c) Independence Director Qualifications. To become and remain a Director, an individual must (i) annually complete and sign an independence certification and disclosure form approved by the Board, and (ii) while a Director and during the one (1) year immediately prior to becoming a Director, comply with the following independence qualifications (“Independence 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, 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 a 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 that is not resolved within a reasonable time in accordance with Section 5.10 to the satisfaction of the Board.
- (d) Director Disqualification. After being elected, if a Director does not comply with all General Director Qualifications, Membership Director Qualifications, and Independence Director Qualifications (collectively, “Director Qualifications”), then, except as otherwise provided by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director if:

- (1) 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 a majority of Directors authorized by these Bylaws complies with the Director Qualifications and approves a Board action, then the failure of a Director to comply with the Director Qualifications does not affect the Board action.

**SECTION 4.04 – Director Nominations.** For each Director position nominated by or from Members Using electric energy within the Cooperative Service Area ("Nominating Members") and scheduled for election by Members at a Member Meeting, the Nominating Members or Members shall nominate individuals as provided in this Bylaw.

- (a) Member Petition Nominations. Nominating Members may nominate, through petition, individuals to run for election for a Director position scheduled for election by Members at the Member Meeting ("Member Petition Nominations"). Nominating Members make Member Petition Nominations by delivering to the Cooperative at least eighty-five (85) days before the Member Meeting a 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 the first signature, of at least twenty-five (25) Nominating Members.

After verifying that a Member Petition complies with this Bylaw, the Cooperative shall display the Member Petition Nomination in approximately the same location as the Nominating Committee Nominations.

Notwithstanding the above, the Board of Directors may, by written Board Policy, modify the Member Petition Nomination requirements for an incumbent Director.

- (b) Nominations from the Floor. Nominating Members may not nominate at, or from the floor of, a Member Meeting an individual to run for election to a Director position scheduled for election at the Member Meeting.
- (c) Notice of Director Nominations. At least ten (10) days before a 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; and
- (2) names and corresponding Director positions of all Member Petition Nominations.

**SECTION 4.05 – Director Elections.** At each Member Meeting at which a Director position is scheduled for election by the 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. Electing Members may not vote for write-in candidates. If a Director position is unfilled after the first round of voting, then voting must be repeated until the Director position is filled, with the nominee receiving the lowest number of votes removed from the next round of voting. As determined by the individual presiding at the Member Meeting, the number of votes received by each nominee will or will not be announced. If only one individual is nominated to run for election for a Director position scheduled for election by Members at the Member Meeting, then the individual presiding at the Member Meeting may announce that the nominated individual is elected by acclamation and no vote is required.

The C&E Committee must determine the order, listing and placement of names on a Written Ballot or similar ballot.

In campaigning or soliciting support for nomination or election as a Director, an individual shall comply with any reasonable rules, requirements, or procedures prescribed by the Board, which rules, requirements, and procedures must apply equally to all nominated individuals.

In campaigning or soliciting support for nomination or election as a Director, and unless offered and made equally available to any individual campaigning or soliciting support for nomination or election as a Director, an individual may not: (1) request or receive assistance, promotion, support, or endorsement from a Cooperative or Cooperative Subsidiary employee; (2) request public support or endorsement from a Cooperative or Cooperative Subsidiary employee; or (3) use Cooperative resources, facilities, or assets.

**SECTION 4.06 – Director Terms.** Except as otherwise provided in these Bylaws, a Director’s term is three (3) years or until a successor Director is elected and takes office (“Director Term”). A Director’s term begins: (1) after the individual consents to being elected as a Director; and (2) immediately after election. A Director’s term ends after: (1) a successor Director consents to being elected as a Director; and (2) immediately after a successor Director’s election.

The Cooperative shall stagger Director Terms by dividing the total number of authorized Directors into groups of approximately equal number. Members must annually elect an approximately equal number of Directors. Subject to a Director’s consent, decreasing the number of Directors or length of Director Terms may not shorten an incumbent Director’s Director Term. If a Director is not elected before or at the Annual Member Meeting immediately following the Member Meeting at which a Director election was scheduled, then the Director position becomes vacant.



**SECTION 4.07 – Director Resignation.** A Director may resign at any time. To resign, a Director must sign and deliver a written or Electronic notice of resignation to the Board, Chairperson, or Secretary. Except as a later date is otherwise provided in a written or Electronic notice of resignation, a Director’s resignation is effective when the Board, Chairperson, or Secretary receives the written or Electronic 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 4.08 – Director Removal.** As provided in this Bylaw, the Members may remove a Director for taking or omitting a negligent, fraudulent, or criminal act significantly and adversely affecting the Cooperative.

- (a) Director Removal Petition. For a Director for whom removal is requested, the Members must deliver to the Chairperson or Secretary a dated written petition (“Director Removal Petition”):
- (1) identifying the Director on each page;
  - (2) explaining, on each page, the basis for the Director’s removal; and
  - (3) as 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 (5%) percent of the Total Membership.

Within thirty (30) days after the Chairperson or Secretary receives 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 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; (2) evidence may be presented, and a Member vote taken, regarding removing the Director; and (3) Members may elect a successor Director.

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

- (1) before a 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) after the Director's presentation and Member discussion, the Removing Members must vote whether to remove the Director.

If a majority of the Members present and voting vote to remove the Director, then the Director is removed effective at the time and date of the Member vote. Upon removal, the Director's position becomes vacant and may be filled by the Board, in its discretion. A Director Removal Petition or Director removal does not affect a Board action. Members may not vote to remove a Director by Member Written Consent.

Members may not remove a Director for lawfully opposing a Transfer of Cooperative Assets or a Cooperative dissolution.

**SECTION 4.09 – Director Vacancy.** Except as otherwise provided in these Bylaws:

- (1) by an affirmative vote of the majority of remaining Directors, and within sixty (60) days of a Director position becoming vacant, the Board shall fill any vacant Director position, including a vacant Director position resulting from increasing the number of Directors; and
- (2) a Director elected by the Board to fill a 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. Except as otherwise provided in these Bylaws, and as used in this Bylaw, "vacant Director position" and "Directory vacancy" do not include Director positions vacated due to an expired Director Term.

**SECTION 4.10 – Director Compensation.** A Director is not an employee of the Cooperative. As determined or approved by the Board, however, the Cooperative may reasonably reimburse, provide insurance or other benefits to Directors or pay or reimburse Directors a fixed fee and expenses for attending a: (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 must 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 a contract or other right, the Cooperative may promise to reasonably or fairly compensate, or provide insurance or other benefits to, a Director after the Director ceases serving as a Director. After a Director ceases serving as a Director, the Board must 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 4.11 – Director Conduct.** In general:

- (a) Director Standard of Conduct. A Director is not deemed a trustee regarding the Cooperative, Capital Credits, or property held or administered by the Cooperative, including property potentially subject to restrictions imposed by the property's

donor or transferor. 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
  - (3) in a manner the Director reasonably believes to be in the Cooperative's best interests; and
  - (4) in a manner in which the Director discloses or causes to be disclosed to other Directors or Board Committee members information not known by them, but known by the Director to be material to discharging their decision-making or oversight functions, except that disclosure is not required to the extent that the Director reasonably believes that disclosure would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.
- (b) Director Reliance on Others. Unless a Director has knowledge making reliance unwarranted, then in discharging the Director's duties, including duties as a Board Committee member, the Director may rely: (1) on the performance by any of the following individuals listed in (A) or (C) 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:
- (A) one or more Cooperative Officials whom the Director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;
  - (B) legal counsel, public accountants, or other individuals retained by the Cooperative regarding matters involving skills or expertise the Director reasonably believes are matters within the individual's professional or expert competence and as to which the individual merits confidence; and
  - (C) a Board Committee of which the Director is not a member 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.

**SECTION 4.12 – Close Relative**. The term "Close Relative" means an individual who:

- (1) through blood, law, or marriage, is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law; or
- (2) resides in the same residence (collectively, "Close Relative").

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

## Article 5 – Board Meetings and Director Voting

**SECTION 5.01 – Regular Board Meetings.** The Board shall regularly meet at the date, time, and location determined by the Board (“Regular Board Meeting”). Except as otherwise provided in these Bylaws, the Board may hold Regular Board Meetings without notice. For good cause, the Chairperson may change the date, time, or location of a Regular Board Meeting. A Director not attending a 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 days before the next Regular Board Meeting. All Directors are entitled to receive notice of a Chairperson’s change in a Regular Board Meeting date, time, or location at least five days before the changed Regular Board Meeting.

**SECTION 5.02 – Special Board Meetings.** The Board, the Chairperson, or at least three (3) Directors may call a special meeting of the Board (“Special Board Meeting”) by providing each Director at least five days’ prior written, or oral notice indicating the date, time, and location and purpose of the Special Board Meeting.

**SECTION 5.03 – Conduct of Board Meetings.** Except as otherwise provided in these Bylaws, a Regular Board Meeting or Special Board Meeting (“Board Meeting”) may be:

- (1) held in, or out of, a state in which the Cooperative Provides 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 each other during the Board Meeting.

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

- (1) in descending priority, the following Required Officers may preside at the Board Meeting: Chairperson, Vice-Chairperson, Secretary, and Treasurer; and
- (2) if no Required Officer is present or desires to preside at a Board Meeting, then the Directors attending the Board Meeting must elect a Director to preside over the Board Meeting.

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

- (1) attendance at, participation in, or presentation during Board Meetings by Persons other than Directors;
- (2) the right to access, inspect, or copy minutes, records, or other documents relating to a Board Meeting by Persons other than Directors; or
- (3) the conduct of Board Meetings.

Members and/or non-Members may only attend Board Meetings upon the approval of the Board, to be provided or withheld in its sole discretion.

**SECTION 5.04 – Waiver of Board meeting Notice.** At any time, a Director may waive notice of a 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. A Director’s attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting, unless the Director:

- (1) at the beginning of the Board Meeting, or before 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.

**SECTION 5.05 – Board Action by Written Consent.** Without a Board Meeting, the Board may take an 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 or more written consents (“Director Written Consent”): (A) describing the action taken; (B) signed by each Director; (C) delivered to the Cooperative; and (D) included with the Cooperative’s Board Meeting minutes. Unless a different effective date is provided in the Director Written Consent, 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.

**SECTION 5.06 – 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 when 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 a matter in which the Director is interested. A Director may not vote by proxy. An agreement signed by Directors providing the manner in which a Director must vote is not valid.

**SECTION 5.07 – Committees.** The Board may create a committee of the Board (“Board Committee”) and appoint Directors to serve on the Board Committee. A Board Committee must consist of two (2) or more Directors and serves at the Board’s discretion. The Board may create a committee of the Members (“Member Committee”) and appoint Members, including Directors, to serve on the Member Committee. The Board may appoint one or more Directors or Members, respectively, as alternate members of any Board or Member Committee to replace any absent or disqualified Committee member during the Committee member’s absence or disqualification.

- (a) Creation and Appointment of Committees. Except as otherwise provided in these Bylaws, at least a majority of Directors currently in office must approve the: (1) creation of a Board Committee or Member Committee; (2) appointment of Directors to a Board Committee; and (3) appointment of Members to a Member Committee.

- (b) Conduct of Committee Meetings. To the same extent as the Board and 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. A Member Committee may act as specified by the Board, but may not exercise Board authority. Except as otherwise provided in 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 pay 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, disqualify, or remove a Director, or fill a Board or Board Committee vacancy; or (4) adopt, amend, or repeal the Bylaws.

**SECTION 5.08 – Board Executive Committee.** Except as otherwise provided by the Board:

- (1) a Board executive committee is composed of the Chairperson, Vice-Chairperson, 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 otherwise provided in 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 under these Bylaws; and (3) at the next Board Meeting following an exercise of Board authority, must report to the Board regarding the Board Executive Committee’s exercise of Board authority.

**SECTION 5.10 – Conflict of Interest Transactions.** A conflict of interest transaction is a contract or 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 contract or transaction with the Cooperative if at least one (1) party to the contract or transaction is another Entity: (1) in which the Director has a material or financial 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 a Board Quorum or Member Quorum satisfied, if the material facts regarding the Conflict of Interest Transaction 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 in good faith to approve the Conflict of Interest Transaction; or
- (2) disclosed or known to the Members, and a majority of Members not voting under the control of a Director or Entity interested in the Conflict of Interest Transaction votes in good faith to approve the Conflict of Interest Transaction.
- (c) Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is approved pursuant to this Bylaw, or that is fair to the Cooperative when entered or approved pursuant to this Bylaw, is not, solely by reason of being a Conflict of Interest Transaction: (1) void or voidable; or (2) the basis for imposing liability on a Director interested in the Conflict of Interest Transaction.

## Article 6 – Required Officers, Indemnification, and Insurance

**SECTION 6.01 – Required Officers.** The Cooperative must have the following officers: Chairperson, Vice-Chairperson, Secretary, and Treasurer (“Required Officers”). The Board shall elect Required Officers: (1) at the first 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.

A Required Officer must be a Director. One (1) Director may simultaneously be Secretary and Treasurer. Except as otherwise provided by Law, this Director may not execute, acknowledge, or verify a document in more than one (1) capacity. Subject to removal by the Board, a Required Officer holds office until the Required Officer’s successor is elected. The Board shall fill a vacant Required Officer’s position for the unexpired portion of the Required Officer’s term.

**SECTION 6.02 – Chairperson.** Except as otherwise provided by the Board or these Bylaws, the Chairperson:

- (1) shall preside, or designate another individual to preside, at all Board and Member Meetings;
- (2) on the Cooperative’s behalf, may sign a 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 6.03 – Vice-Chairperson.** Except as otherwise provided by the Board or these Bylaws, the Vice-Chairperson: (1) upon the Chairperson’s death, absence, disability, improper refusal, or inability to act, shall perform the duties, and have the powers, of the Chairperson; and (2) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION 6.04 – Secretary.** Except as otherwise provided by the Board or these Bylaws, the Secretary:

- (1) shall be responsible for preparing, or supervising the preparation of, minutes of Board and Member Meetings;
- (2) shall be responsible for maintaining and authenticating the Cooperative's records;
- (3) may affix the Cooperative's seal to a document authorized or approved by the Board or Members; and shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION 6.05 – Treasurer.** Except as otherwise provided by the Board or these Bylaws, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board.

**SECTION 6.06 – Required Officer Resignation and Removal.** At any time, a Required Officer may resign. To resign, a Required Officer must deliver to the Board an oral or written or Electronic resignation. Except as a later effective date is otherwise provided in the Required Officer resignation, a Required Officer resignation is effective when received. If a Required Officer resignation states a future effective date, and if, as appropriate, the Board accepts the future effective date, then, as appropriate, the Board may fill the vacant Required Officer position before the future effective date, but the successor Required Officer may not take office until the future effective date. At any time the Board may remove a Required Officer with or without cause.

**SECTION 6.07 – Required Officer Standard of Conduct.** A Required Officer shall discharge the Required 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 Required Officer reasonably believes to be in the Cooperative's best interests.

**SECTION 6.08 – Required Officer Contract Rights.** The election, appointment, retention, or employment of a Required Officer, by itself, does not create a contract between the Cooperative and the Required Officer. A Required Officer's resignation or removal does not affect the Cooperative's contract rights, if any, with the Required Officer.

**SECTION 6.09 – Authority to Execute Documents.** On the Cooperative's behalf, two (2) Required Officers may sign, execute, and acknowledge a document properly authorized or approved by the Board or Members. The Board may authorize additional Cooperative Officials to sign, execute, and acknowledge a document on the Cooperative's behalf.

**SECTION 6.10 – Required Officer Compensation.** Except as otherwise provided by the Board or in a Bylaw addressing Director compensation, reimbursement or benefits, the Cooperative may reasonably compensate, reimburse or provide insurance or other benefits to, a Required Officer.

**SECTION 6.11 – Bonds.** At the Cooperative's expense, the Cooperative may purchase a bond covering a Cooperative Official.

**SECTION 6.12 – Indemnification.** As determined by the Board:



- (a) Indemnification Director or Required Officer. The Cooperative shall indemnify: (1) an individual who is or was a Director or Required Officer; (2) an individual who, while a Director or Required Officer, is or was serving at the Cooperative's request as a director, officer, partner, trustee, employee, or agent of another Entity; or (3) the estate or personal representative of such an individual (collectively, "Indemnification Director or Officer") who was wholly successful, on the merits or otherwise, in defending a threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal ("Indemnification Proceeding") to which the Indemnification Director or Required Officer was, is, or is threatened to be made a named defendant or respondent ("Indemnification Party") because the Indemnification Director or Required Officer is or was a Director or Required Officer.

This indemnification is against reasonable expenses, including attorney fees ("Indemnification Expenses") actually incurred by the Indemnification Director or Required Officer in connection with the Indemnification Proceeding.

- (b) Indemnification Individual. The Cooperative may indemnify an individual who is or was a Cooperative Official ("Indemnification Individual") and was made, because the Indemnification Individual is or was a Cooperative Official, an Indemnification Party to an Indemnification Proceeding other than an Indemnification Proceeding: (1) by or in the right of the Cooperative in which the Indemnification Individual was adjudged liable to the Cooperative; or (2) charging, and in which the Indemnification Individual was adjudged liable for receiving, improper personal benefit, whether or not involving action in the Indemnification Individual's official capacity.

This indemnification is 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 attorney fees, actually incurred in connection with any other Indemnification Proceeding, if the Indemnification Individual:

- (1) acted in good faith;
- (2) reasonably believed: (A) for conduct as a Cooperative Official, that the Indemnification Individual's conduct was in the Cooperative's best interest; and (B) for all other conduct, that the Indemnification Individual's conduct was not opposed to the Cooperative's best interests; and
- (3) 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").

To provide this indemnification, a majority vote of the Director Quorum, excluding Directors currently Indemnification Parties to the Indemnification Proceeding ("Indemnification Director Quorum"), must determine: (1) that the

Indemnification Individual met the Indemnification Standard of Conduct; and (2) reasonable Indemnification Expenses.

- (c) Advance for Expenses. Before the final disposition of an Indemnification Proceeding, the Cooperative may pay for, or reimburse, the reasonable Indemnification Expenses incurred by an Indemnification Director, Required Officer, or Individual who is an Indemnification Party to the Indemnification Proceeding (“Indemnification Advance”) if:
- (1) the Indemnification Director, Required Officer, or Individual furnishes the Cooperative a written: (A) affirmation of the Indemnification Director, Required Officer, or Individual’s good faith belief that the Indemnification Director, Required Officer, or Individual has met the Indemnification Standard of Conduct; and (B) unlimited general obligation of the Indemnification Director, Required Officer, or Individual, which need not be secured, may be accepted without reference to financial ability to repay, may be executed personally or on the Indemnification Director, Required Officer, or Individual’s behalf, and obligates the Indemnification Director, Required Officer, or Individual to repay the Indemnification Advance if a majority of the Indemnification Director Quorum ultimately determines that the Indemnification Director, Required Officer, or 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 Director, Required Officer, or Individual under this Bylaw.

**SECTION 6.13 – Insurance.** Regardless of indemnification authority or requirement, the Cooperative may purchase and maintain insurance on behalf of an individual who is or was a Cooperative Official. This insurance is against a liability, including judgment, settlement, or otherwise, or 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 Official.

## Article 7 – Cooperative Operation

**SECTION 7.01 – Non-profit and Cooperative Operation.** The Cooperative: (1) shall operate on a nonprofit and cooperative basis for the mutual benefit of all Members; and (2) may not pay interest or dividends on capital furnished by Members.

**SECTION 7.02 – Allocating Capital Credits.** The Cooperative shall allocate Capital Credits as provided in this Bylaw. The Cooperative must allocate Capital Credits in a Member’s name as shown in the Cooperative’s records, regardless of the Member’s marital status.

- (a) Allocating Earnings. For each Cooperative Service Provided during a fiscal year, the Cooperative shall equitably allocate to each Member, in proportion to the quantity or value of the Cooperative Service Used by the Member during the fiscal

year, the Cooperative's operating earnings from Providing the Cooperative Service during the fiscal year. Operating earnings mean the amount by which the Cooperative's operating revenues from Providing a Cooperative Service exceed the Cooperative's operating expenses of Providing the Cooperative Service, all as determined under federal cooperative tax law.

For each fiscal year, the Cooperative may, as determined by the Board, use, retain, or equitably allocate the Cooperative's nonoperating earnings. Nonoperating earnings mean the amount by which the Cooperative's nonoperating revenues during a fiscal year exceed the Cooperative's nonoperating expenses during the fiscal year, less any amount needed to offset an operating loss.

- (b) Allocating Losses. For each Cooperative Service Provided during a fiscal year, the Cooperative shall: (1) equitably allocate to each Member, in proportion to the quantity or value of the Cooperative Service Used by the Member during the fiscal year, the Cooperative's operating loss from Providing the Cooperative Service during the fiscal year; or (2) offset the Cooperative's operating loss from Providing the Cooperative Service during the fiscal year: (A) against the Cooperative's operating earnings from providing the Cooperative Service during the most recent past fiscal year(s) or the next succeeding future fiscal year(s); or (B) first against the Cooperative's nonoperating earnings during the current fiscal year, second against the Cooperative's unallocated nonoperating earnings during any past fiscal year(s), and third against the Cooperative's nonoperating earnings during any future fiscal year(s). Operating loss means the amount by which the Cooperative's operating expenses of Providing a Cooperative Service during a fiscal year exceed the Cooperative's operating revenues from Providing the Cooperative Service during the fiscal year, all as determined under federal cooperative tax law.

For each fiscal year, the Cooperative shall: (1) allocate to each Member, in proportion to the quantity or value of Cooperative Services Used by the Member during the fiscal year, the Cooperative's nonoperating loss; or (2) offset the Cooperative's nonoperating loss against the Cooperative's nonoperating earnings during any fiscal year(s). Nonoperating loss means the amount by which the Cooperative's nonoperating expenses during a fiscal year exceed the Cooperative's nonoperating revenues during the fiscal year.

- (c) Capital Credits. For each amount allocated to a Member, the Member shall contribute a corresponding amount to the Cooperative as capital. The Cooperative must credit all capital contributions from a Member to a capital account for the Member. The Cooperative shall maintain books and records reflecting the capital contributed by each Member. At the time of receipt by the Cooperative, each capital contribution is treated as though the Cooperative paid the amount allocated to the Member in cash pursuant to a pre-existing legal obligation and the Member contributed the corresponding amount to the Cooperative as capital. The term "Capital Credits" means the amounts allocated to a Member and contributed by the Member to the Cooperative as capital.

Consistent with this Bylaw, the allocation of Capital Credits is in the discretion of the Board and the Board must determine the manner, method, and timing of allocating Capital Credits. The Cooperative may use or invest unretired Capital Credits as determined by the Board. To secure a Member's obligation to pay amounts owed to the Cooperative, including any compounded interest and late payment fee, and in return for the Cooperative providing a Cooperative Service to the Member, the Cooperative has a security interest in Capital Credits allocated to the Member. The Member authorizes the Cooperative to perfect this security interest by filing a financing statement.

- (d) Different and Separate Allocations. As reasonable and fair, the Cooperative may allocate Capital Credits to classes of similarly situated Member under different manners, methods, and timing, provided the Cooperative allocates Capital Credits to similarly situated Member under the same manner, method, and timing. If the Cooperative is a member, patron, or owner of an Entity from which the Cooperative Uses a good or service in Providing a Cooperative Service and from which the Cooperative is allocated a capital credit or similar amount, then, as determined by the Board and consistent with this Bylaw, the Cooperative may separately identify and allocate to the Cooperative's Member this capital credit or similar amount allocated by the Entity.
- (e) Joint Memberships. Upon receiving written notice and sufficient proof of the termination, conversion, or alteration of a Joint Membership: (1) through the death of a Joint Member, the Cooperative shall assign and transfer to each surviving Joint Member an equal portion of Capital Credits allocated, or to be allocated, to the Joint Membership; or (2) other than through the death of a Joint Member, and except as otherwise provided by a court or administrative body of competent jurisdiction, and except as otherwise provided by the Joint Members, the Cooperative shall assign and transfer to each Joint Member an equal portion of Capital Credits allocated, or to be allocated, to the Joint Membership.

**SECTION 7.03 – Assignment of Capital Credits.** Except as otherwise provided by the Board or these Bylaws, to assign or transfer a Member's Capital Credits: (1) the Cooperative must receive a written or Electronic request on a form acceptable to the Cooperative signed by the Member to assign or transfer the Capital Credits; (2) the Member and the assignee or transferee must comply with all reasonable requirements specified by the Cooperative; and (3) the Board must approve the assignment or transfer.

**SECTION 7.04 – Retiring Capital Credits.** The Cooperative may retire and pay Capital Credits allocated to Member and former Member as provided in this Bylaw. If the Cooperative retires and pays Capital Credits, then the Cooperative must retire and pay Capital Credits in a Member's name as shown in the Cooperative's records, regardless of the Member's marital status. If the Cooperative mails a retired Capital Credit payment, then the Cooperative shall mail the payment to the Member or former Member's address as shown in the Cooperative's records.

- (a) General Capital Credit Retirements. At any time before the Cooperative's dissolution, liquidation, or other cessation of existence, the Cooperative may generally retire and pay some or all Capital Credits allocated to Member and former Member.
- (b) Special Capital Credit Retirements. The Cooperative may specially retire and pay some or all Capital Credits allocated to an individual Member or former Member: (1) after the death of the individual; (2) after receiving a written or Electronic request from the deceased individual's legal representative; and (3) according to the terms and conditions agreed upon by the Cooperative and the deceased individual's legal representative.
- (c) Capital Credit Recoupment and Offset. Regardless of a statute of limitation or other time limitation, after retiring Capital Credits allocated to a Member or former Member, the Cooperative may recoup, offset, or setoff an amount owed to the Cooperative by the Member or former Member, including any compounded interest and late payment fee, by reducing the amount of retired Capital Credits paid to the Member or former Member by the amount owed to the Cooperative.
- (d) Capital Credit Retirement Discretion. The Cooperative may retire and pay Capital Credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this Bylaw, the retirement and payment of Capital Credits are in the sole discretion of the Board and are not affected by previous retirements and payments. The manner, method, and timing of retiring and paying Capital Credits may be determined only by the Board.
- (e) Different and Separate Capital Credit Retirements. The Cooperative will retire and pay Capital Credits to similarly situated Members and former Members under the same manner, method, and timing. If the Cooperative separately identified and allocated Capital Credits representing capital credits or similar amounts allocated to the Cooperative by an Entity in which the Cooperative is or was a member, patron, or owner, then the Cooperative may retire and pay these Capital Credits before or after the Entity retires and pays the capital credits or similar amounts to the Cooperative, in the discretion of the Board.
- (f) Discounted Capital Credit Payments. As determined by the Board, before the time the Cooperative anticipates normally retiring and paying Capital Credits, the Cooperative may retire some or all Capital Credits and pay the net present value of the retired Capital Credits. If the Cooperative retires and pays the net present value of Capital Credits to a Member or former Member before the time the Cooperative anticipates normally retiring and paying the Capital Credits, then the amount of Capital Credits not paid must be retained in the name of the Member or former Member and paid to the Member or former Member upon the Cooperative's dissolution, liquidation, or other cessation of existence.

- (g) Unclaimed Capital Credits. As allowed by Law, the Cooperative may retain Capital Credits retired and paid to a Member or former Member, but not claimed by the Member or former Member within two (2) years of retirement and payment.

**SECTION 7.05 – Member Agreement**. Each Member and former Member agrees that:

- (1) Capital Credits are not securities under state or federal Law;
- (2) The Member’s right to Capital Credits vests, accrues, becomes redeemable, and becomes payable only upon the Cooperative retiring the Capital Credits as provided in these Bylaws, and not upon the Cooperative allocating the Capital Credits; and
- (3) As required by Law, each Member will: (A) report to the appropriate Entity all allocated or retired Capital Credits; and (B) pay the appropriate Entity any tax or similar amount on allocated or retired Capital Credits.

**SECTION 7.06 – Reasonable Reserves**. Regardless of a 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”). The Cooperative must keep records necessary to determine, at any time, each Member’s rights and interest in Reasonable Reserves.

## Article 8 – Disposition of Cooperative Assets

**SECTION 8.01 – Transfer of Cooperative Assets**. Except for a sale, lease, exchange, disposition, conversion, or other transfer (“Transfer”) of Cooperative Assets: (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) consisting of the Cooperative’s ownership in an Entity; (6) to an Entity operating on a cooperative basis and Providing electric energy; or (7) to a Cooperative Subsidiary, the Cooperative may Transfer, more than ten percent (10%) of the Cooperative’s Assets only if:

- (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) The Person seeking to purchase, lease, or acquire the Cooperative’s Assets provides to the Cooperative any information requested by the Cooperative;
- (3) Within a reasonable time of receiving the Appraisals, the Cooperative invites all other Entities operating on a cooperative basis, Providing electric 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;
- (4) The Board approves the proposed Transfer;
- (5) At least a majority of the Total Membership approves the proposed Transfer;

- (6) Notice of a Member Meeting at which Members will consider the proposed Transfer states that one of the purposes of the Member Meeting is to consider the Transfer, and includes a copy or summary of the proposed Transfer;
- (7) No Director will benefit from the Transfer, financially or otherwise, in a manner different from other Members; and
- (8) In proportion to the value or quantity of Cooperative Services Used by Members during the period in which the Cooperative owned a Cooperative Asset, the Cooperative allocates to Members as Capital Credits any consideration received for the Cooperative's Assets that exceeds the amount paid for the Cooperative Assets.

Upon a Transfer of all or substantially all of the Cooperative's Assets, all allocated Capital Credits shall be retired and paid at full and non-discounted value, unless the Transfer is to an Entity operating on a cooperative basis and Providing electric energy.

Except as otherwise provided by the Members, after the Members approve a Transfer, the Board may abandon the Transfer. To secure indebtedness by the Cooperative, the Board may Transfer, mortgage, pledge, dedicate to repayment, or encumber any Cooperative Asset. As used in this Bylaw, a Transfer includes the conversion of the Cooperative to another form of business.

**SECTION 8.02 – Merger or Consolidation.** The Cooperative may consolidate or merge only with an Entity operating on a cooperative basis that Provides electric energy (“Consolidate or Merge”). To Consolidate or Merge, the Cooperative must comply with this Bylaw.

- (a) Board Approval. To Consolidate or Merge, 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) other information required by Law.
- (b) Member Approval. After the Board approves a Consolidation or Merger Agreement, two-thirds (2/3) of the Members voting in person must approve the Consolidation or Merger Agreement. Members may not approve the Consolidation or Merger Agreement by Member Written Consent.

- (c) Notice. The Cooperative shall notify Directors of a Board Meeting, and Members of a 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. The Cooperative may also make available to Members the New Entity's articles of incorporation and bylaws.
- (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 8.03 – 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; (2) the Cooperative shall retire and pay all Capital Credits allocated to Members and former Members; and (3) after paying, satisfying, or discharging all Cooperative debts, obligations, and liabilities, and after retiring and paying all Capital Credits, and to the extent practical:

- (A) the Cooperative shall first distribute gains from selling an appreciated Cooperative Asset to Members and former Members who Used electric energy during the period in which the Cooperative owned the Cooperative Asset in proportion to the value or quantity of electric energy Used by the Member or former Member during the period the Cooperative owned the Cooperative Asset;
- (B) the Cooperative shall then distribute nonoperating earnings used by the Cooperative as permanent, unallocated equity to Members who Used electric energy during the period in which the Cooperative received the earnings in proportion to the value or quantity of electric energy Used by the Member during the period the Cooperative received the earnings; and
- (C) the Cooperative shall then pay or distribute any remaining Cooperative Assets, and any amounts received from selling any remaining Cooperative Assets, to the Members and former Members in proportion to the value or quantity of Cooperative Services Used before the Cooperative's dissolution; or a nonprofit charitable or educational Entity or organization exempt from federal income taxation.

## Article 9 – Miscellaneous

**SECTION 9.01 – Electronic Documents and Actions.** If a Member or Director 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:



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

An Electronic Document Electronically sent or transmitted to a Member or Director or former Member at the Member or Director 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 Director 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:

- (1) “Electronic” and “Electronically” mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- (2) 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
- (3) Electronic transmission includes transmission through: (A) Electronic mail; (B) the Cooperative’s website; or (C) 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.

**SECTION 9.02 – Bylaw Amendment.** Except as otherwise provided in these Bylaws, these Bylaws may be adopted, amended, or repealed (“Amended”) only by the vote of two-thirds (2/3) of Directors. Except as otherwise provided in a Bylaw Amendment, the Amendment is effective immediately 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. Except as otherwise provided by the Board, Members may not sponsor or propose a Bylaw Amendment.
- (b) Notice of Bylaw Amendment. Notice of a Board Meeting at which Directors will consider a proposed Bylaw Amendment must: (1) state that the purpose, or one 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. 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.

**SECTION 9.03 – Rules of Order.** Except as otherwise provided by the Board at any time, and except as otherwise provided in the Governing Documents, the latest edition of Robert’s Rules of Order Newly Revised governs all Member, Board, Member Committee, and Board Committee meetings, documents, communications, and actions.

**SECTION 9.04 – Fiscal Year.** The Board may determine and modify the Cooperative’s fiscal year. Except as otherwise provided by the Board, the Cooperative’s fiscal year is the calendar year.

**SECTION 9.05 – Notice and Communication.** In these Bylaws:

- (a) Notice and Communication Type. Except as otherwise provided in these Bylaws, and as allowed by Law, a notice or communication may be: (1) oral, 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, delivered or transmitted to an address shown in the Membership List or Cooperative records, then a written or 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.

A written notice or communication is correctly addressed to a Member if addressed to the Member's address shown in the Membership List.

If: (1) the Cooperative sends or transmits two written or Electronic notices or communications to a former Member at the address shown in the Cooperative's records; (2) both notices or communications are sent or transmitted to the same address; and (3) both notices or communications are returned to the Cooperative as undeliverable or the Cooperative is informed that neither notice or communication was deliverable, then, until the Cooperative receives a different address from the former Member, the Cooperative is not required to send or transmit additional notices or communications to the former Member.

**SECTION 9.06 – Governing Law.** These Bylaws must be governed by, and interpreted under, the laws of the State of Indiana.

**SECTION 9.07 – Titles and Headings.** Titles and headings of Bylaw articles, sections, and subsections are for convenience and reference, and do not affect the interpretation, construction, or application of a Bylaw article, section, or subsection.

**SECTION 9.08 – Partial Invalidity.** When reasonably possible, every Bylaw article, section, subsection, paragraph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of a Bylaw Provision by an Entity possessing proper jurisdiction and authority, which invalidation does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions.

**SECTION 9.09 – Cumulative Remedies.** The rights and remedies provided in these Bylaws are cumulative. The Cooperative or a Member asserting a 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 9.10 – Entire Agreement.** Between the Cooperative and a Member, the Governing Documents: (1) constitute the entire agreement; and (2) supersede and replace a prior or contemporaneous oral, written or Electronic communication or representation.

**SECTION 9.11 – Successors and Assigns.** Except as otherwise provided in these Bylaws: (1) the duties, obligations, and liabilities imposed upon, and the rights granted to, the Cooperative by these Bylaws are binding upon, and inure to the benefit of, the Cooperative's successors and

assigns; and (2) the duties, obligations, and liabilities imposed upon a Member by these Bylaws are binding upon the Member'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 or a Member does not relieve the Cooperative or Member of the duties, obligations, and liabilities imposed by these Bylaws.

**SECTION 9.12 – Waiver.** The failure of the Cooperative or a Member to assert a right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

**SECTION 9.13 – Lack of Notice.** The failure of a Member or Director to receive notice of a Meeting, action, or vote does not affect, or invalidate, an action or vote taken by the Members or Board.