

Bylaws



**White River Valley
Electric Cooperative**

A Touchstone Energy® Cooperative 

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member in White River Valley Electric Cooperative, Inc. (hereafter called the "Cooperative"), by having first:

- a) Made a written application for membership therein;
- b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors; and
- d) Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

Section 2. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of constituting a joint waiver of notice of the

- meeting;
- b) The vote of either separately or both jointly shall constitute one joint vote;
 - c) A waiver of notice signed by either or both shall constitute a joint waiver;
 - d) Notice to either shall constitute notice to both;
 - e) Expulsion of either shall terminate the joint membership;
 - f) Withdrawal of either shall terminate the joint membership;
 - g) Either but not both may be elected or appointed as an officer or board director, provided that the one elected or appointed meets the qualifications for such office.

Section 3. Conversion of Membership

- 1) A membership may be converted to a joint thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation bylaws, and rules and regulations adopted by the Board of Directors. The Cooperative records shall indicate the changed membership status.
- 2) Upon the death of either spouse who is a party to a joint membership, such membership shall be held solely by the survivor. The Cooperative records shall be held solely by the survivor. The Cooperative records shall indicate the changed membership status, provided however, that the estate of the deceased shall not be released from any debts due the Cooperative.
- 3) Upon the death of an individual member, a membership may be converted to a surviving spouse upon written request for change of membership and the agreement of said surviving spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Directors. The Cooperative records shall indicate the changed membership status, provided however, that the state of the deceased shall not be released from

any debts due the Cooperative.

- 4) Upon the divorce or separation of parties holding a joint membership, the party remaining must have the membership converted, by written request for change of membership and the agreement of said party to comply with the Articles of Incorporation, bylaws and rules and regulations adopted by the Board of Directors. The Cooperative records shall indicate the changed membership status, provided however, the joint members shall not be released from any debts due the Cooperative.

Section 4. Membership and Deposit Fees.

Proof of membership shall be the member's signature affixed to the membership application and subsequent purchase of electricity. Deposits may be established as shall from time to time be determined by resolution of the Board of Directors.

Section 5. Purchase of Electric Energy.

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefore at rates, which shall from time to time be fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which may be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy in excess of the cost of service, are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amounts, regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Members shall also pay all amounts owed by them to the

Cooperative as and when the same shall become due and payable.

Section 6. Termination of Membership.

- 1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws, or rules and regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Cooperative, that such failure makes him or her liable for expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting. The membership of a member, who for a period of six (6) months after service is available to them has not purchased electric energy from the Cooperative, or a member who has ceased to purchase energy from the Cooperative shall be cancelled.
- 2) Upon withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or their estate from any debts due to the Cooperative.
- 3) In case of withdrawal or termination of membership in any manner, the Cooperative will repay to the member, the amount of the membership fee, if any, paid by him or her, provided however, that the Cooperative shall deduct from the amount of the membership fee, the amount of any debts or obligations

owing from the member to the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members

Upon dissolution, after;

- a) All debts and liabilities of the Cooperative shall have been paid; and
- b) All capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members, during the ten years next preceding the date of the filing of the certificate of dissolution.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETING OF THE MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held during the month of September of each year, beginning with the year 1981, at such place within a county served by the Cooperative, as selected by the Board of Directors and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual

meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three board members, by the President, or by not less than ten percent (10%) of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative, as designated by the Board of Directors and shall be specified in the notice of the special meeting.

Section 3. Notice of Members Meetings. Written or printed notices stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual meeting or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. Two percent (2%) of the first 2,000 members and one percent (1%) of the remaining members, present in person, shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time

without further notice.

Section 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these bylaws.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

- a) Report on the number of members present in person in order to determine the existence of a quorum.
- b) Reading to the notice of the meeting or the waiver thereof, and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- c) Reading of unapproved Minutes of previous meetings of the members and the taking of necessary action thereon, or the waiver thereof.
- d) Presentation and consideration of reports of officers, directors, and committees.
- e) Election of directors.
- f) Unfinished business.
- g) New business.
- h) Adjournment.

ARTICLE IV DIRECTORS

Section 1. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws

conferred upon or reserved to the members.

Section 2. Qualifications. No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member in good standing of the Cooperative and receiving service therefrom at their primary residential abode: PROVIDED, that the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or their designee, shall notwithstanding that they do not receive service from the Cooperative at their primary residential abode, be eligible to become a director, from the Directorate District in which such member is located, if they or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Cooperative, and (2) is a permanent and year-round resident within or in close proximity to an area served by the Cooperative; BUT PROVIDED FURTHER, that no more than one (1) such person may serve on the Board of Directors at the same time. No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who does not have the capacity to enter legally binding contracts or is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the Cooperative. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him or her to be removed therefrom, as the case maybe. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the

validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

Section 3. Election. At each annual meeting of the members, directors shall be elected by secret written ballot by the members and, except as provided in the first provision of Section 2 of these Bylaws, from among those members who are natural persons: PROVIDED, that when the number of nominees does not exceed the number of directors to be elected from a particular Directorate District, and if there is no objection, secret written balloting may be dispensed within respect of that particular election and voting may be conducted in any other proper manner. Directors shall be elected by a plurality of the votes cast. Drawing by lot shall resolve, where necessary, any tie votes.

Section 4. Tenure. Directors shall be so nominated and elected that one director from or with respect to each of Directorate Districts Nos. A, B, and E shall be elected for three-year terms at an annual member meeting; one director from or with respect to each of Directorate Districts Nos. A, C, and E shall be elected for three-year terms at the next succeeding annual member meeting; and one (1) director from or with respect to each of Directorate Districts Nos. B, C, and D shall be elected for three-year terms at the next succeeding annual member meeting, and so forth: PROVIDED, that the terms of no two (2) directors from the same Directorate District shall coincide. Upon their election, directors shall, subject to the provisions of these Bylaws with respect to the removal of directors, serve until the annual meeting of the members of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at an annual meeting of the members

duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

Section 5. Directorate Districts. The territory served by the Cooperative shall be divided into five (5) Directorate districts. Each District shall be represented by the number of directors, and the Districts are described as follows

- District "A": That area of the Cooperative situated in Stone County shall have two (2) directors.
- District "B": That area of the Cooperative situated in Taney County shall have two (2) directors.
- District "C": That area of the Cooperative situated in Christian County shall have two (2) directors.
- District "D": That area of the Cooperative situated in Douglas County shall have one (1) director.
- District "E": That area of the Cooperative situated in Ozark County shall have two (2) directors.

Section 6. Nominations. It shall be the duty of the Board of Directors to appoint, not less than thirty (30) nor more than one hundred twenty days (120) prior to the date of a meeting of the members at which directors are to be elected a Committee on Nominations, consisting of nine (9) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for director, who are not close relatives or members of the same household thereof, and who are so selected that each of the Cooperative 's Directorate Districts shall have representation thereon in proportion to the number of authorized directors from or with respect to such District. The Committee or its

designee shall prepare and post at the principal office of the cooperative at least twenty-five (25) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Directorate District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected from or with respect to any Directorate District, as it deems desirable. Five percent (5%) of the active members of the Cooperative in any district, acting together may make other nominations from their district by petition filed in the principal office of the Cooperative not less than twenty-five (25) days prior to the meeting of members of the Cooperative and the Secretary shall be responsible for the posting of such nominations at the same place where the list of nominations made by the committee are posted. The Secretary shall be responsible for the mailing with the notice of the meeting, or separately, but at least ten (10) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by petition, if any. The chairperson at such meeting, after all nominations so made have been duly announced, shall call for additional nominations from the floor and shall ascertain and announce, after any nominations made from the floor, the particular Directorate District from or with respect to which any additional candidates have been nominated. No member may nominate more than one candidate. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

Section 7. Voting for Directors; Validity of Board

Action. In the election of directors, each member shall be entitled to cast the number of votes (but not cumulatively), which corresponds to the total number of directors to be elected, but no member may vote

for more nominees than the number of directors that are to be elected from or with respect to any particular Directorate District. Ballots marked in violation of the foregoing restriction with respect to one or more Directorate Districts shall be invalid and shall not be counted with respect to such District or Districts. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

Section 8. Removal of Directors by Members. Any member may bring one or more charges for cause against any one or more directors and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten (10%) percent of the then total members of the Cooperative which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s) and, if one or more directors are recalled, to elect their successor(s), and which specifies the place, time and date thereof not more than forty-five (45) days after the filing of such petition or requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held no sooner than forty-five (45) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name they are billed by the cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the

member meeting at which the matter will be acted upon: PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor; PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against them have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he or she succeeds and shall serve the unexpired portion of the removed director's term.

Section 9. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified; PROVIDED, that such a director shall be from or with respect to the same Directorate District as was the director

whose office was vacated.

Section 10. Compensation; Expenses. Directors shall, as determined by resolution of the Board of Directors, receive a fixed fee for attending meetings of the Board of Directors and, when such has had the prior approval of the Board of Directors, for attending any other meeting or otherwise performing their duties. The fee or fees fixed for attending other meetings or otherwise performing their duties need not be the same as the fee fixed for attending a regular meeting of the Board of Directors. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. Directors may also be furnished insurance or retirement coverage as determined from time to time by resolution of the Board of Directors. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure.

Section 11. Rules, Regulations, Rate Schedules and Contracts. The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 12. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system of the

Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

Section 13. Subscription to Cooperative's Newsletter; Subscription to Statewide Publication.

For the purpose of disseminating information on issues of concern to the Cooperative and its membership, the Board of Directors shall be empowered, on behalf of and for circulation to the member periodically, to subscribe to the statewide publication "Rural Missouri."

Section 14. "Close Relative" defined. As used in these Bylaws, "close relative" means a person who, by blood or in law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

**ARTICLE V
MEETINGS OF BOARD OF DIRECTORS**

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within one of the counties served by the Cooperative, as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or directors calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Board of Directors Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President, or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to each director at their address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum, provided that if less than such majority of the Board of Directors is present at said meeting, a majority of the board present may adjourn the meeting from time to time, and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these bylaws.

ARTICLE VI OFFICERS

Section 1. Number. The officers of the Cooperative shall be a president, vice president, secretary, treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of secretary and treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected annually by and from the Board of Directors at the meeting of the Board of Directors held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his or her successor has been elected and qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by the Board of Directors. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 4. President. The president shall:

- (a) be the principal executive officer of the Cooperative, and unless otherwise determined by the members or the Board of Directors, shall preside at all meetings of the members or the Board of Directors;
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws, to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. Vice President. In the absence of the president or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the duties as from time to time may be assigned to them by the Board of Directors.

Section 6. Secretary. The secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board of Directors in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative, and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the Articles of Incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 7. Treasurer. The treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks, or other federally insured financial institutions, or like or similar cooperatives or associations, as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 8. Delegation of Secretary's and Treasurer's Responsibilities: Notwithstanding the duties, responsibilities and authorities of the secretary and of the treasurer herein before provided in Section 6 and 7, the Board of Directors by resolution may, except as otherwise limited by law, delegate wholly or in part, the responsibility and authority for, and the regular and routine administration of, one(1) or more of such officers' such duties to one(1) or more agent or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 9. Manager. The Board of Directors shall appoint a manager who may be, but shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him or her.

Section 10. Bonds of Officers. The treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds

or property shall be bonded in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety, as it shall determine.

Section 11. Compensation. The powers, duties and compensation of officers, agents, and employees shall be fixed by the Board of Directors subject to the provisions of these bylaws with respect to compensation for directors and close relatives of a director.

Section 12. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy.

- (a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account

on a patronage basis to all its patrons and members and to declare a patronage dividend to its patrons and members in an amount equal to the Cooperative's federal taxable income with respect to the furnishing of electric energy (computed before the reduction for patronage dividends paid by the Cooperative and after reduction for any losses to be taken into account in accordance with Paragraph (b) of this Section 2). All such amounts in excess of the federal taxable income at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons and members as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts with such amounts being allocated among its patrons based upon the volume or value of the business done by such patrons, as determined by the Board of Directors. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron, is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to their account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

- (b) The Cooperative's Board of Directors shall have complete discretion and authority to determine the handling and ultimate disposition of the Cooperative's patronage sourced losses, as well as the form, priority and manner in which such losses or portions

thereof shall be taken into account, retained and ultimately disposed of or recovered. Without limiting the generality of the foregoing, the Board of Directors may determine to cause any such patronage sourced losses to be retained by the Cooperative and subsequently disposed of (i) by offset against net earnings of the Cooperative in one or more subsequent years, (ii) by application to the patronage allocations of the Cooperative for one or more prior years through offset and cancellation against members' capital credits or other equity account balances, or (iii) by any other method of disposition (or combination of methods) as the Board of Directors, in its sole discretion, shall determine from time to time to be in the Cooperative's best interests.

- (c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The manner, method, and timing of retiring and paying Capital Credits may be determined only by the Board. Thus, the Board may retire patronage capital credits in any order or amount, discriminating among patrons by taking into account any considerations which the Board determines appropriate, including but not limited by discrimination among patrons by taking into account whether the patron or member has sufficient capital credits in the Cooperative to directly or indirectly support the business done with the

Cooperative by such patron or member. Provided further, however, that the Board of Directors shall have the power to adopt the rules providing for the separate retirement of the portion (“power supply portion”) of capital credited to the accounts of patrons, which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall: (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative’s books of the power supply portion of capital credited to the Cooperative’s patrons, (c) provide for appropriate notifications to patrons with respect to the power portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron’s premises served by the Cooperative unless the Board of Directors acting under policies of general application, shall determine otherwise. In the event a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

- (d) Notwithstanding any other provisions of the bylaws, if any member or former member fails to claim any cash retirement of Capital

Credits from the Cooperative within two (2) years after payment of the same has been made available to said member or former member, such failure shall be and constitutes an assignment and gift by such member of such Capital Credits to the Cooperative. Cash retirement of Capital Credits is made available by mailing the Capital Credit check to the last address provided to the Cooperative. If said check is returned as undeliverable then all future refunds are deemed to be made available to said member or former member at the time the refund amount is recorded to their Capital Credit account. No additional checks will be mailed until the member or former member provides the Cooperative with an updated address. Failure to claim any such payment within the meaning of this section shall include the failure of such member or former member to cash said Capital Credit check mailed by the Cooperative to the last address provided by said member or former member to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of two (2) years from the date when such payment of Capital Credits was made available to such member or former member without claim therefore and only after further expiration of sixty (60) days following the giving of a Notice by mail or publication that unless such payment is claimed within sixty (60) days, such gift to the Cooperative for the benefit of its members shall become effective and irrevocable. The notice by mail herein provided shall be one mailed by the Cooperative to such member or former member at the last known address. If notice by publication is given, such publication shall be one insertion in a newspaper circulated in the service area of the Cooperative. The sixty (60) day period

following the giving of such notice, either by mail or publications, shall be deemed to terminate sixty (60) days after the mailing or publication of such notice. Any such funds that revert to the Cooperative shall be used or retained as permanent, unallocated equity or contributed capital. Notwithstanding any other provision of these bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of their estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided however, that the financial condition of the Cooperative will not be impaired thereby. 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 a former member before the time the Cooperative anticipates normally retiring and paying the Capital Credits, then the amount of Capital Credits not paid may be used or retained as permanent, unallocated equity or contributed capital. Regardless of the statute of limitations or other time limitation, after retiring Capital Credits allocated to a member or former member, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the member or former member, by reducing the amount of retired Capital Credits paid to the member or former

member by the amount owed to the Cooperative.

- (e) The patrons of the Cooperative, by dealing with the Cooperative; acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

Section 3. Patronage Refund in Connection with Furnishing Other Services.

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all patronage sourced net taxable income (computed without taking into account any patronage dividend with respect to such income) received and receivable with respect to the furnishing of such goods or services shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated and paid to its patrons on a patronage basis and any amount so allocated shall be indicated as part of the capital credited to the accounts of patrons, as herein provided.

Section 4. Definitions.

As used in this Article, the term "member" shall mean any member of the Cooperative in accordance with Article I of these bylaws; the term "patron" shall include any person, firm or association which is not also a member, with whom the Cooperative has in effect an agreement pursuant to which it has agreed to pay patronage refunds to such person on the basis of the volume or value of the Cooperative's business done with or for such person during the fiscal year.

ARTICLE VIII DISPOSITION OF PROPERTY

Section 1.01 Disposition and pledging of property

(a) Not inconsistently with Mo. Rev. Stat. Section 394.180 and subsection (b) hereof, the Cooperative may, at a duly held meeting of the members, authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's properties and assets only upon the affirmative votes of two-thirds (2/3) of the then-total members of the Cooperative; however, the Board of Directors, without authorization by the members, shall have full power and authority (1) to borrow monies from any source and in such amounts as the Board may from time to time determine; (2) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore; and (3) to sell, lease, lease-sell, exchange, transfer or otherwise dispose of property no longer necessary or useful for the operation of the Cooperative, or less than a substantial portion of the Cooperative's properties and assets. "Substantial portion" means ten percent (10%) or more of the Cooperative's total assets as reflected on its books at the time of the transaction.

(b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or any substantial portion of the Cooperative's properties and assets shall be authorized except in conformity with following:

1. If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall

first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition, and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Presiding Judge for the 38th Judicial District in Missouri. If such Judge refuses to make such designations, they shall be made by the Board of Directors.

2. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Missouri (which has not made an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
3. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual meeting, expressing in detail each of any such proposals, and shall call a special

meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than ten (10) days nor more than twenty-five (25) days after the giving of notice thereof to the members; PROVIDED, that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not less than ten (10) days nor more than twenty-five (25) days after the giving of notice of such meeting.

4. Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives. No proposals to sell or transfer all or a substantial part of the assets of the Cooperative shall be submitted to a vote of the membership unless such proposal is approved by the Cooperative's Board of Directors as provided in this bylaw.

ARTICLE IX SEAL

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

ARTICLE X FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks, or other federally insured financial institutions, or like or similar cooperatives or associations, as the Board of Directors may select.

Section 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety(90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first(31) day of December of the same year.

ARTICLE XI MISCELLANEOUS

Section 1. Membership in Other Organizations. The Cooperative shall not become a member or purchase stock in any other organization without an affirmative vote of the Board of Directors.

The Cooperative may, upon the authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of REA, or any other Corporation for the purpose of acquiring electric facilities.

Section 2. Waiver of Notice. Any member or Director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or Director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 3. Policies, Rules and Regulations. The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board of Directors shall cause to be established and maintained, a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. The Board of Directors shall also after the close of each fiscal year, cause to be made by a certified public accountant, a full and complete audit of the accounts, books and financial condition of the Cooperative, as of the end of each such fiscal year.

A report of such audit shall be submitted to the members at the next following annual meeting.

Section 5. Area Coverage. The Board of Directors shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who, (a) desire such service, and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

Section 6. Indemnification. Each person who at any time is, or shall have been a director, officer, employee or agent of the corporation, and who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or served at the request of the corporation as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the corporation against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such director, officer, employee or agent in connection with any such action, suit or proceeding to the full extent permitted by the laws of the State of Missouri. The foregoing right of indemnification shall in no way exclude any other rights of indemnification to which any such director, officer, employee or agent may be entitled, under any bylaw, agreement, vote of stockholders or directors or otherwise, nor shall it preclude the corporation from purchasing and maintaining insurance to provide either the same indemnification or a broader one. All rights of indemnification hereunder shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of any such director, officer, employee or agent.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal, and provided further, notwithstanding any other provisions of these bylaws, an affirmative vote of at least two-thirds of the membership shall be required to alter, amend or repeal Article VIII-Disposition of Property.

