



**Indian Electric
Cooperative, Inc.**

BYLAWS

Cleveland, Oklahoma

www.iecok.com

(918) 358-2514

Bylaws
of

**Indian Electric
Cooperative, Inc.**

(Oklahoma 28 Pawnee)

Headquarters Office
Cleveland, Oklahoma

Amended
2008

**BYLAWS
ARTICLE I
MEMBERSHIP**

SECTION 1.01. **Eligibility.** Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic, (each hereinafter referred to as “person”, “applicant”, “him” or “his”) shall be eligible to become a member of and, at one (1) or more premises owned, controlled or directly occupied or used by applicant, to receive electric service from Indian Electric Cooperative, Inc., (hereinafter call the “Cooperative”). No person shall hold more than one (1) membership in the Cooperative.

SECTION 1.02. **Application for Membership; Renewal of Prior Application.** Application for membership wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to comply with all of the other provisions of the Cooperative’s Articles of Incorporation and Bylaws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended, and which are not inconsistent with law, (the obligations embraced by such agreement being hereinafter called “membership obligations”)--shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Trustees shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction, if any) shall be refunded in the event the application is rejected by the Board of Trustees as provided for in Section 1.05, or is withdrawn by the applicant prior to any expense being incurred by the Cooperative as a result of the original application. Any former member of the Cooperative may, be the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon as provided by law on judgments in effect when such account first became overdue, compounded annually, together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative, renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03. **Membership Fee; Service Security Deposit; Service Connection Deposit or Fee; Facilities Extension Deposit or Fee; Contribution in Aid of Construction.** The membership fee shall be as fixed from time to time by the Board of Trustees. The membership fee (together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or

contribution in aid of construction, or any combination thereof, that may be required by the Cooperative) shall entitle the member to one (1) service connection. A service security deposit in such amount as shall be prescribed by the Cooperative (together with any service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative), shall be paid by the member for each additional service connection requested. Any deposit, fee or contribution required to initiate service shall be due and payable at the time such request for service is made, but may, at the option of the Cooperative, be billed to the member at the time of the first and/or subsequent monthly statement(s) for electric service.

SECTION 1.04. Husband and Wife - Joint Membership. An application for membership made by husband and/or wife, when accepted, shall be deemed a joint membership unless a separate membership is specifically requested in writing by either applicant, or if one (1) of them is already a member, the same may be converted into a joint membership by jointly executing another membership application. The words "member", "applicant", "person", "his", and "him" as they may be used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities, and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing--

- (a) the presence at a meeting of either or both shall constitute the presence of one (1) member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one (1) joint vote: PROVIDED, that if both be present in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to, or waiver of notice signed by either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership; and
- (e) either, but not both concurrently, shall be eligible to serve as a trustee of the Cooperative, but only if both meet the qualifications required therefor.

SECTION 1.05. Acceptance into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall be accepted into membership in, and become eligible to receive electric service from, the Cooperative unless the Board of Trustees shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause.

SECTION 1.06. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts. The Cooperative shall

use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member for so long as such premises are owned, controlled, or directly occupied or used by the member, shall purchase from the Cooperative all central station electric power and energy for use on all premises to which electric service has been furnished by the Cooperative pursuant to such person's membership, unless and except to the extent that the Cooperative may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount or service availability charge that may be charged without regard to the amount of electric power and energy actually used, if any) established by the Board of Trustees and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member also shall pay all other amounts owed to the Cooperative as and when they become due and payable. When the member has more than one (1) service connection from the Cooperative, any payment for service provided by the Cooperative shall be deemed to be allocated and credited on a pro rata basis to the member's outstanding accounts for all such service connections, when such is not inconsistent with law, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

SECTION 1.07. Excess Payments to be Credited as Member Furnished Capital. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VIII of these Bylaws.

SECTION 1.08. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to such person's membership to become and to remain wired in accordance with the specifications of the National Electrical Safety Code, any applicable state code, any applicable regulation of a state agency having jurisdiction thereof, or local government ordinances, and of the Cooperative. Each member shall be responsible for--and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of--such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair thereof at all reasonable times. As part of the consideration of such service, each member

shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to the member's premises, apparatus or other electrical equipment as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point of service at which the lines of the Cooperative's electric supply system connects to the wiring system of the member, at a location to be designated by the Cooperative.

SECTION 1.09. Member to Grant Easement to Cooperative and to Participate in Cooperative Load Management Programs if Required. Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way, over, on and under such lands owned or leased or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities. Each member shall, upon being requested so to do by the Cooperative, participate in any program initiated by the Cooperative to enhance load management or more efficiently to utilize or conserve electric energy.

ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. Suspension; Reinstatement. Upon a person's failure, after the expiration of the initial time limit prescribed by the Cooperative's generally publicized applicable rules and regulations and such notice, if any, as may otherwise be required by law to pay any amounts due the Cooperative or to cease any other noncompliance with the person's membership obligations, the person's membership shall automatically be suspended; and such person shall not during such suspension be entitled to receive electric service from the Cooperative or cast a vote at any meeting of the members. Payment of all amounts due the Cooperative including any additional charges required for such reinstatement and/or cessation of any other noncompliance with the person's membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled

to receive electric service from the Cooperative and to vote at the meeting of its members.

SECTION 2.02. Termination by Expulsion; Renewal of Membership. Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, such person may, without further notice, but only after due hearing if such is requested by such person, be expelled by the Board of Trustees at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting. Members present at such meeting, if there is a quorum present, may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to at least the date of expulsion. After any finally effective expulsion of a member, the person may not again become a member except upon new application as provided in Section 1.05. The Board of Trustees, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all membership obligations.

SECTION 2.03. Termination by Withdrawal or Resignation. A member may withdraw from membership upon such generally applicable conditions as the Board of Trustees shall prescribe and upon either (a) ceasing to (or, with the agreement of the Cooperative, resigning the person's membership in favor of a new applicant who also shall) own, control or directly occupy or use all premises being furnished electric service pursuant to such person's membership, or (b) except when the Cooperative specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate such person's membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own, control or directly to occupy or use the premises being furnished electric service pursuant to such membership.

SECTION 2.05. Effect of Termination. Upon the termination in any manner of a person's membership, such person or the person's estate, as the case may be, shall be entitled to refund of that person's membership fee (and to the person's service security deposit, if any, theretofore paid the Cooperative), less any amounts due the Cooperative; but neither such person nor the person's estate, nor any former partner of a partnership member or such person's estate, as the case may be, shall be released from any debts or other obligations then remaining

due the Cooperative. Notwithstanding the suspension or expulsion of a member as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Trustees shall expressly so elect, constitute such release of such person from that person's membership obligations as to entitle the person to purchase from any other person any central station electric power and energy for use at the premises to which such service has heretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06. Effect of Death, Legal Separation or Divorce upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased shall not be released from any debts or other obligations remaining due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy, control or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from debts or other obligations remaining due the Cooperative.

SECTION 2.07. Acceptance of Members Retroactively. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all records accordingly.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.01. Annual Meeting. The annual meeting of the members shall be held each year, on a day during one (1) of the months of May through October as fixed by resolution of the Board of Trustees, at a place selected by the Board within a county served by the Cooperative, for the purpose of announcing recently elected Trustees, 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 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 3.02. Special Meetings. Special meetings of the members may be called by resolution of the Board of Trustees, or upon a written request signed by any three (3) Trustees, by the President, or by ten (10%) percent or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of

the members may be held at any place within one (1) of the counties served by the Cooperative as designated by the Board of Trustees and shall be specified in the notice of the special meeting.

SECTION 3.03. Notice of Member Meetings. Written or printed notice of the place, day and hour of the meeting shall be delivered to each member not less than ten (10) days nor more than twenty-five (25) days prior to the date of the meeting, by any reasonable means, by or at the direction of the Secretary. In the case of a special meeting the notice shall also state the purpose or purposes of the meeting and business transacted at any special meeting of members shall be limited to the purposes stated in the notice.

Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, Cooperative's periodic newsletter, or member service billings. No matter requiring the affirmative vote of at least an absolute majority of all the Cooperative's members present at a legally constituted meeting of the members shall be acted upon at any meeting other than an annual meeting, unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a membership jointly owned by spouses, notice given to either spouse shall be deemed notice to both.

The attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary in writing at least forty-eight (48) hours prior to the beginning of the meeting of the member's objection.

The failure of any member to receive notice of any district, annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 3.04. QUORUM. Five (5%) percent of the members present in person shall constitute a quorum at any district, annual or special meeting of the members of the Cooperative. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date not less than thirty (30) days later, provided that the Secretary shall deliver notice to all affected members as provided in Section 3.03 (Notice of Members' Meetings). The minutes of each meeting shall contain a list of the members present.

SECTION 3.05. Voting. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon in person, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or

these Bylaws. Each member who is not in a status of suspension, as provided in Section 2.01, shall be entitled to only one (1) vote upon each matter submitted to a vote at any meeting of the members. In case of a membership jointly owned by spouses, they shall together have only one (1) vote.

Members may not cumulate their votes or vote by proxy, though they may vote by absentee ballot submitted by mail upon any motion or resolution to be acted upon at any meeting when the Board of Trustees shall have determined that the motion or resolution is of such importance that all members should be afforded the opportunity to vote thereon. In that event, the Secretary shall enclose with the notice of such meeting an exact copy of the motion or resolution to be acted upon and a member who is unable to be present may express his vote for or against each such motion or resolution in the spaces provided therefore on such copy and returning same so marked in a sealed envelope bearing his or her name and addressed to the Secretary. Each written vote so returned by any absent member shall be accepted and counted as a vote of such member at such meeting if received prior to the date of the meeting in question.

Voting by members who are not natural persons shall be allowed only upon the presentation to the Cooperative, prior to or at each members meeting, of satisfactory evidence executed by the member and authorizing the person presenting the same to vote on the member's behalf.

The failure of any absent member to receive a copy of any motion or resolution or ballot shall not invalidate any action which may be taken by the members at any meeting.

SECTION 3.06. Order of Business. The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (a) Report on the number of members present in person in order to determine the existence of a quorum;
- (b) Reading of the notice of the meeting and proof of the due giving 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 thereof;
- (d) Presentation and consideration of reports of officers, Trustees and committees;
- (e) Election results from District Trustee Elections;
- (f) Unfinished business;

(g) New business; and

(h) Adjournment

Notwithstanding the foregoing, the Board of Trustees or the members themselves may from time to time establish a different order of business for the purpose of assuring the consideration of and action upon any item of business, the transaction of which is necessary or desirable in advance of any other item of business: PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV TRUSTEES AND THEIR ELECTION

SECTION 4.01. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of not less than five (5) nor more than twelve (12) Trustees, as may be determined by the Board from time to time, which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 4.02. Trustee Voting Districts. The territory served by the Cooperative shall be divided into not less than five (5) and not more than twelve (12) Trustee districts, the lines of which shall be drawn so as to provide, as nearly as practicable, equal representation among the members of all districts. Each district shall be represented by one (1) Trustee. The Trustee districts shall be as shown on the official map of Trustee districts maintained in the headquarters office of the Cooperative.

The Board of Trustees shall review the districts from time to time and, if the Board determines that such districts should be increased or decreased in number or altered in size or configuration so as to correct any substantially inequitable factors regarding the residence of members or the geographic scope or shape of districts, or the number of districts, the Board shall alter, reapportion, remove or add one (1) or more districts to insure an equitable representation among Trustee districts, and shall have the official map and descriptions of Trustee districts revised to reflect such changes(s) PROVIDED that no such redistricting shall effect removal of any Trustee prior to the end of his term in office. The members of each district affected by any redistricting shall be notified thereof at least ten (10) days prior to the date of their ensuing district election by such means as are provided in Section 3.03 (Notice of Member Meetings).

SECTION 4.03. Terms of Office. Each Trustee shall be elected to serve for a three-year term of office. In order to provide continuity of management, district elections shall be staggered, with an approximately one-third of the Trustees

elected in any given year. Upon election, each Trustee shall serve, subject to the provisions of Section 4.06, until the annual meeting for the year in which his term expires or until his successor shall have been qualified and elected.

SECTION 4.04. Qualifications. No person shall be eligible to become or remain a Trustee of the Cooperative who is not at least eighteen (18) years of age and a member of the Cooperative receiving electric service from the Cooperative at his primary residence, which shall be located in the Trustee district which such person is to represent; EXCEPT THAT a person who does not have a primary residence within any Trustee district may run or continue to serve if said person is the owner of 25% or more of a for-profit business that is a member in good standing with IEC and is receiving electric service from the Cooperative at the principal office of such business. A person running or serving under the business exception provided in this Section 4.04 may only run or serve in the Trustee district in which the principal office of the business is located, and under no circumstances may such person run or serve in a Trustee district based upon the presence of a branch office or any other business presence which is less than that of the principal office of the business.

In addition, no person shall be qualified to become or remain a Trustee of the Cooperative who:

- (a) is a close relative of an incumbent Trustee or of an employee of the Cooperative;
- (b) is in any way employed by or otherwise interested in a business or enterprise primarily engaged in selling electricity, or any other type of energy, equipment, supplies or services, to the Cooperative or its members; unless the degree of the prohibited activity is so small as to pose no reasonable prospect of conflict of interest as determined by the Board of Trustees according to its established policies;
- (c) is the incumbent of or candidate for an elective public office, which is not an exception to the duality rule as provided in 51 Okl. Stat. § 6, (or other comparable state statute); or who
- (d) has entered a plea of guilty or nolo contendere to, or has been convicted of, a felony;
- (e) has had a guardian or conservator of his person or assets appointed or has been adjudged mentally incompetent by a court with jurisdiction and has not had his competency restored; or
- (f) is in a status of suspension as provided in Section 2.01.

Upon establishment of the fact that a candidate is not qualified under this

section or as may be provided elsewhere in these Bylaws, it shall be the duty of the person presiding at the meeting at which such candidate would otherwise be voted upon to disqualify such candidate. If it be established that any person being considered for or already holding a position as Trustee of the Cooperative is disqualified from holding such office, it shall be the duty of the Board of Trustees to withhold such position from such person, or to cause him to be removed from office immediately, as the case may be.

The existence of one or more of the following facts shall be prima facie evidence of disqualification, whereupon the Trustee in question will be automatically presumed to have submitted his resignation:

- (i) The Trustee establishes a permanent residence outside his district, EXCEPT THAT a Trustee may continue as Trustee for his Trustee district if he qualifies under the business exception stated above in this Section 4.04;
- (ii) The Trustee is prevented from performing the essential functions of his position by reason of physical or mental disability, which disability continues for a period of more than 180 consecutive days;
- (iii) The Trustee is found to have engaged in any unauthorized or improper use of Cooperative funds; or
- (iv) The Trustee has failed to serve in accordance with, or has violated any material term, condition or provision of, the Cooperative's Articles of Incorporation, By-Laws, Terms & Conditions, regulations or policies.

SECTION 4.05. Election of Trustees by District.

- (a) **District Meetings.** Not less than thirty (30) days nor more than ninety (90) days before any annual meeting, the Board shall call a separate meeting of members of each district in which the term of the incumbent Trustees are due to expire for purpose of electing one Trustee to represent the members located within each of such districts. Such meeting must be held within the boundaries of said district.
- (b) **Notice of Candidacy.** Any person who desires to serve as Trustee from the district and who meets the qualifications of a Trustee shall file a notice of candidacy at the office of the manager of the Cooperative, not less than twenty-five (25) days nor more than thirty-five (35) days prior to the meeting of the members of said district, on a form provided by the Cooperative. No person may be elected Trustee at a district meeting without

first having filed a notice of candidacy as provided in this paragraph (b).

- (c) Notice of District Meetings. Not less than ten (10) days nor more than twenty five (25) days prior to said meeting the Secretary of the Cooperative shall cause to be mailed to each member within the district a notice of the meeting by any reasonable means provided by Article III, Section 3.03 stating the date, time and purpose of the meeting, which notice shall also state the names of any persons who have filed a notice of candidacy from such district pursuant to Subsection 4.05(b).
- (d) Conduct of District Elections. The meeting shall be called to order by the Trustee representing the district or by another designated representative of the Board of Trustees. The members shall then proceed to elect a chairman who shall be someone other than a Trustee and who shall appoint a secretary to act for the duration of the meeting. Five (5) percent of the members of the Cooperative residing in such district and being present at such meeting shall constitute a quorum. In the event a quorum cannot be obtained, then, the Trustee serving the district in which quorum cannot be obtained shall continue to serve as the official Trustee from that district for a successive three-year term.
- (e) Voting. Voting shall be by secret written ballot, provided, that whenever there is a single candidate for the position of Trustee, and there is no objection, secret balloting may be dispensed with and voting may be conducted in any other proper manner, including by acclamation. Each member present, not in a status of suspension as provided in Section 2.01, shall have one (1) vote. Spouses must vote jointly their single vote. The poll shall be open and available for voting from the beginning of registration until closed by the Chairman of the meeting. Voting by proxy or by mail shall not be permitted. The candidate receiving the largest number of votes shall be declared elected. In the event of a tie between an incumbent Trustee standing for re-election and another candidate, the incumbent shall be deemed re-elected; in the event of a tie between any other candidates, the winner shall be determined by coin toss. The Trustee elected shall take office and assume the duties and responsibilities thereof at the first meeting of the Board, whether special or regular, after the annual membership meeting.
- (f) Records. The official records of each district election shall set forth, among other relevant matters, the name of each candidate and number of votes received. A certified copy of

such records shall be signed and duly filed by the Secretary of the Cooperative.

SECTION 4.06. Removal of Trustees by Members. Any member may bring charges for removal of a Trustee on the grounds of willful neglect of duty, incompetence, disloyalty to the Cooperative, or any conduct involving moral turpitude, or for other just and lawful cause, by filing with the Secretary such charges in writing together with a petition signed by not less than ten (10%) percent of the total membership of the Cooperative, requesting removal of such Trustee for cause stated. Upon the filing of such charges, a special meeting of the members shall be called to consider and act upon such charges within forty-five (45) days after such petition is filed (or at the next annual meeting of the members if the same will be held within ninety (90) days after such petition is filed). Such Trustee shall be informed in writing of the charges not less than twenty (20) days prior to the meeting at which the charges are to be considered, and shall have an opportunity to be heard at the meeting, in person or by counsel, and to present evidence in rebuttal of the charges; and the person or persons bringing the charges against such Trustee shall have the same opportunity. The meeting shall be called to order by a Trustee other than the one against whom charges for removal have been brought, or some other person designated by the Board of Trustees. The members shall then proceed to elect a Chairperson and Secretary for the meeting. The Trustee under charges shall not act in either capacity. The question of such Trustee's removal shall be considered and voted upon at the meeting and, in the event of removal, any vacancy created shall be filled by vote of the members at that meeting; provided, however, that any newly elected Trustee shall be a person duly qualified to represent the same Trustee district as the Trustee to whose office such person succeeds. Immediately upon his selection such new Trustee shall be seated as a Board member to serve out the unexpired term of the Trustee who was removed.

SECTION 4.07. Vacancies. A vacancy occurring in the Board of Trustees shall be filled by the affirmative vote of the majority of the remaining Trustees, unless the Trustees, exercising the powers granted under Section 4.02 hereof, determine that a reduction in the number of voting districts is necessary, in which case the Board of Trustees may refrain from filling said vacancy; PROVIDED, that a Trustee so appointed shall be a person qualified to represent the same Trustee to whose office such person succeeds and shall be appointed to serve out the unexpired term of the vacant Trusteeship.

SECTION 4.08. Compensation; Expenses; Indemnification. Trustees shall not receive any compensation for their services as such except that Trustees shall receive, on a per diem basis, such fee (which may include insurance benefits) as shall be fixed from time to time by resolution of the Board of Trustees for their attendance at meetings of the Board or of committees of the Board; Board and committee meetings of associated organizations when such organizations provide no fee for Trustee's attendance; other meetings, conferences, training programs and seminars when Trustee's attendance will benefit the Cooperative; and the

performance of any function related to the business of the Cooperative or any act on behalf of the Cooperative, and authorized by the Board of Trustees. For the performance of their duties, Trustees also shall receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in accordance with the Cooperative's established policies. No Trustee shall receive compensation for serving the Cooperative in any other capacity, provided, however, that Trustees may be afforded such benefits as may from time to time be offered similar officials of other rural electric cooperatives. No close relative of any Trustee shall 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 by the unanimous vote of the remaining Trustees upon their certification of such payment as an emergency measure. The Cooperative shall indemnify its Trustees, and may purchase insurance to cover such indemnification, against all liability arising out of acts done in official capacity, in good faith, and deemed to be in the best interests of the Cooperative or not against its best interests.

SECTION 4.09. **“Close Relative” Defined.** As used herein, “close relative” means a person who, by blood or marriage, including but not necessarily limited to step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the person in question.

ARTICLE V

MEETINGS OF TRUSTEES; POWERS AND DUTIES

SECTION 5.01. **Regular Meetings.** A regular meeting of the Board of Trustees shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as shall be convenient, at such site as shall be designated by the Board in advance of the annual meeting. A regular meeting of the Board of Trustees shall also be held monthly within one (1) of the counties served by the Cooperative within the State of Oklahoma, at such date, time and place, as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution; PROVIDED, that any Trustee absent from any meeting of the Board at which such a resolution initially determines the date, time or place of a subsequent meeting, or makes any change therein, shall be entitled to receive written notice of such determination or change at least five (5) days prior to the subsequent meeting of the Board; AND PROVIDED FURTHER that, by policy established by the Board, the President may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all Trustees.

SECTION 5.02. **Special Meetings.** Special meetings of the Board of Trustees may be called by Board resolution, by the President or by any five (5) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President or the Trustees calling the meeting, as the case may be, shall fix the date, time and place for the special meeting, which meeting shall be held in one

(1) of the counties served by the Cooperative in the State of Oklahoma unless a majority of all Trustees consent to its being held in some other place in that state or elsewhere.

SECTION 5.03. Notice of Trustees' Meeting. Written notice of the date, time, place and purpose or purposes of any special meeting of the Board of shall be delivered, 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 Trustees calling a special meeting or by any other Trustee or officer in the case of any meeting for which the date, time and place have already been fixed by Board resolution) To each Trustee not less than five (5) days prior to the day on which such meeting is to be held. If mailed, such notice shall be deemed to be delivered to each Trustee when deposited in the United States mail, addressed to such Trustee at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a Trustee at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one (1) or more items of business, on the ground that the meeting was not lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the Trustees in office shall be required for the transaction of business, and, except when these Bylaws provide otherwise with respect to a specific matter, the affirmative votes of at least a majority of the Trustees present shall be required for any action to be taken: PROVIDED, that a Trustee who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Trustees present; AND PROVIDED FURTHER, that if less than a quorum be present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time, but shall cause the absent Trustees to be duly and timely notified of the date, time and place of any adjourned meeting.

SECTION 5.05. Attendance. Any Trustee who is absent from three (3) consecutive regular meetings or from four (4) or more regular meetings of the Board of Trustees during any twelve-month period shall automatically lose his or her status as a Trustee and the remaining Trustee shall declare a vacancy on the Board from the district represented by such Trustee, to be filled in accordance with Section 4.07 of these Bylaws, unless the remainder of the Board of Trustees determines that such absences should be excused for justifiable cause.

SECTION 5.06. Rules, Regulations, Rate Schedules and Contracts. The Board of Trustees shall have power, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative, to make, adopt, amend, abolish and promulgate such policies, rules, regulations, rate schedules, contracts, security deposits and other types of deposits, fees, payments or charges, including but not limited to, contributions in-aid-of construction, not inconsistent with law or the Cooperative's Articles of

Incorporation or Bylaws.

SECTION 5.07. Accounting System and Reports. The Board of Trustees shall cause a complete accounting system of the Cooperative's financial operations and condition to be established and maintained 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. The Board of Trustees may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 5.08. Subscriptions: Cooperative's Newsletter and Oklahoma Association of Electric Cooperatives' Publication. For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Trustees shall be empowered to subscribe members periodically to the Cooperative's newsletter, the annual subscription price of which shall be the Cooperative's cost of publication and distribution. The Board shall also be empowered to subscribe the members to periodically receive information by publications selected by the Board, the subscription price of which shall be the price as billed to the Cooperative. The price of subscriptions shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

ARTICLE VI OFFICERS: MISCELLANEOUS

SECTION 6.01. Number and Title. The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Trustees. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. Election and Term of Office. The four (4) officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Trustees at the first meeting of the Board of Trustees held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the first meeting of the board first held after the next succeeding annual meeting of the members or until the officer's successor shall have been elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of trustees by the members and to the removal of officers by the Board of Trustees. Any other officers may be elected by the board from among such persons, and with such titles, tenure, responsibilities and authorities, as the Board of Trustees may from time to time deem advisable.

SECTION 6.03. Removal. Any officer, agent or employee elected or appointed

by the Board of Trustees may be removed by the board whenever in its judgment the best interests of the Cooperative will thereby be served. However, such removal shall not be effectuated inconsistently with any written contract between the Cooperative and such officer, agent or employee unless such person consents.

SECTION 6.04. Vacancies. A vacancy in any office elected or appointed by the Board of Trustees shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. President. The President shall:

- (a) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Trustees, and, unless determined otherwise by the board, at all meetings of the members;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees 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;
- (c) in general, perform all duties incident to the office of President, and such other duties as may be prescribed by the Board of Trustees from time to time;
- (d) and shall, in the event any other officer of the Cooperative is absent or unable to perform normal duties of the office, appoint an acting officer who shall serve with the same rights, powers, duties and responsibilities as the officer for whom such acting officer is temporarily acting, until the said elected officer shall be able to perform normal duties of the office, or until such office has been declared vacant by a majority vote of the Board of Trustees at any regular or special meeting, and the vacancy filled by the Board of Trustees as provided in Section 6.02 of this Article.

SECTION 6.06. Vice President. In the absence of the President, or in the event of the President's 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 restrictions upon the President, and shall perform such other duties as from time to time may be assigned by the Board of Trustees.

SECTION 6.07. Secretary. The Secretary shall:

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of the Board of trustees in one (1) or more books

provided for that purpose;

- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed 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 or as required by law;
- (d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
- (e) have general charge of the books of the Cooperative in which a record of the members is kept;
- (f) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member;
and
- (g) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the Board of Trustees.

SECTION 6.08. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts, or cause to be received and receipts given, for all monies due and payable to the Cooperative from any source whatsoever, and deposit or invest, or cause to be deposited or invested, all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these Bylaws;
and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Trustees.

SECTION 6.09. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Trustees by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one (1) or more of each such officer's duties to one (1) or more agents, other officers or employees of the Cooperative who are not trustees. 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 6.10. General Manager, Executive Vice President. The Board of Trustees may appoint a General Manager, who may be, but shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President. Such officer shall perform such duties and shall have such authority as the Board of Trustees may from time to time vest in the officer.

SECTION 6.11. Bonds. The Board of Trustees shall require the Treasurer and any other officer, or agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

SECTION 6.12. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Trustees, and with respect to compensation for trustees or close relatives shall be determined as provided in Section 4.10 of these Bylaws.

SECTION 6.13. Reports. The officers of the Cooperative shall submit at each annual meeting of the members, or shall have included with the official notice of such meeting, 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 CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01. Contracts. Except as otherwise provided by law or these Bylaws, the Board of Trustees may authorize any Cooperative officer, agent or employee 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 7.02. 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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from

time to time be determined by resolution for the Board of Trustees.

SECTION 7.03. Deposits, Investments. All funds of the Cooperative except petty cash shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Trustees may select.

ARTICLE VIII NON-PROFIT OPERATION

SECTION 8.01. 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 8.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce capital and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and other expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses 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 to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

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 payment be made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of

the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirement of capital furnished prior to January 1, 1977, shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired, except that after January 1, 1977, the Board of Trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital: PROVIDED, however, that the Board of Trustees shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion or other service or 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 or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions or of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to such patrons' accounts and (d) preclude a general retirement of such portions 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 Trustees, acting under policies of general application, shall determine otherwise.

In the event that 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.

Notwithstanding any other provision of these Bylaws, the Board of Trustees shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of such person's estate shall request in writing that the capital credited to such patron be retired prior to the time such capital would otherwise be retired under the provision of these Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application to situations of like kind, shall determine: PROVIDED, however, that the financial conditions of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the state legal rate, except as otherwise limited by law, in effect when such amount first became overdue, compounded annually.

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 has individually signed a separate instrument containing such terms

and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron by posting in a conspicuous place in the Cooperative's offices.

ARTICLE IX DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 9.01. Distribution and Pledging of Property.

- (a) The members of the Cooperative may authorize the sale, lease, leasesale, exchange or other disposition of or encumber all or a substantial portion of the Cooperative's properties and assets by the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative present in person at a special or annual meeting of the members. To vote on the sale, lease, lease-sale, exchange or disposition of or encumbering the assets of the Cooperative, members must be present in person at a special or annual meeting of the members when the notice of such proposed sale, lease, lease-sale, or other disposition shall have been contained in the notice of the meeting of the members, and the Board of Trustees may authorize the pledging of such properties and assets as securities, all as provided in Title 18, Section 437.20 O.S. 1951, The Rural Electric Cooperative Act. Not inconsistently with that statute, the Board of Trustees may authorize the sale, exchange or other disposition of less than a substantial portion of the Cooperative's properties and assets and any property or merchandise no longer necessary or useful for the operation of the Cooperative. "Substantial portion", as used in this section, means ten (10%) percentum or more of the fair market value of the Cooperative's total properties and assets.
- (b) Not in conflict with, or in lieu of, but rather as supplementary to the foregoing subsection (a), the following procedures shall be followed in authorizing a sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative's properties and assets:
 - (1) Before allowing any plan or proposal to be submitted to the members, the Board of Trustees shall cause three (3) independent appraisers, expert in such matters to be appointed to render their individual opinions as to the fair market value of the Cooperative's assets and properties, including its good will and business value, and as to any other terms and conditions which, in their respective, judgments, should be considered. The Board of Trustees after receiving such appraisals (and other terms and

conditions which are recommended, if any) shall then give every other electric cooperative in Oklahoma (which has not submitted such a plan or proposal) and the National Rural Utilities Cooperative Finance Corporation, an opportunity to submit competing plans or proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall attach a copy of the initial plan or proposal being then considered and a copy of the reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days within which to submit competing plans or proposals, and the actual minimum period within which plans or proposals are to be submitted shall be stated in the written notice given to them.

- (2) Any two hundred (200) or more members, by so petitioning the Board of Trustees not less than fifteen (15) days before the date of the special or annual meeting of the members at which such a plan or proposal will be considered, may cause the Cooperative, with the costs to be borne by the Cooperative, to mail to all other members, at least seven (7) days prior to such meeting of the members, any opposing positions or alternative plans or proposals with the petitioners may have.

The provisions of this subsection (b) shall not apply to a sale, lease-sale, exchange or other disposition to one (1) or more other electric cooperatives if the actual legal effect thereof is to merge or consolidate with such one (1) or more electric cooperatives.

SECTION 9.02. Distribution of Surplus Assets on Dissolution. Except if and to the extent in conflict with the Oklahoma law providing for the dissolution of private corporations, upon the Cooperative's dissolution, any assets remaining after all of the Cooperative's liabilities and obligations, including outstanding capital credits, have been satisfied or discharged or a plan therefor appropriately established, shall, to the extent practicable as determined by the Board of Trustees, be distributed without priority among all persons who are or who have been patrons of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bears to the total receipts of the Cooperative since its inception or such subsequent date for the limiting of such total period as may be determined by the Board of Trustees: PROVIDED that, before making such distribution, if any gain is realized upon dissolution from the sale of any appreciated asset, such gain shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable as determined by the Board of Trustees; AND PROVIDED FURTHER, HOWEVER, that, if in the judgment of the Board of Trustees the amount of such surplus is too small to justify the expense of making any distribution whatever, the

Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one (1) or more nonprofit charitable or educational organizations that are exempt from federal income taxation.

ARTICLE X WAIVER OF NOTICE

Any member or trustee may waive, in writing, any notice of a meeting required to be given by these Bylaws.

ARTICLE XI FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and shall end on the last day of the month of December following.

ARTICLE XII RULES OF ORDER

Parliamentary procedures at all meeting of the members, of the Board of Trustees, of any committee provided for in these Bylaws and of any other committee of the members or Board of Trustees which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extend such procedure is otherwise determined by law or by the Cooperative's Article of Incorporation or Bylaws.

ARTICLE XIII SEAL

The Corporate seal of the Cooperative shall be in a form prescribed by the Board and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal (Name of the State)."

ARTICLE XIV AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative votes of a majority of the votes cast by the members at any annual or special meeting of the members, but only if the notice of such meeting shall hav contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.

Published June 30, 1945

Amended 1951	Amended 1957
Amended 1967	Amended 1969
Amended 1971	Amended 1972
Amended 1976	Amended 1980
Amended 1984	Amended 1992
Amended 1994	Amended 1997
Amended 2002	Amended 2005
Amended 2008	

