



## **Bylaws**

# McDonough Power Cooperative

## Bylaws

### ARTICLE I MEMBERSHIP

**SECTION 1. Requirements For Membership.** Any person, firm, association, corporation or body politic or subdivision thereof will become a Member of the McDonough Power Cooperative (hereinafter called the "Cooperative") upon receipt of retail electric service from the Cooperative, provided that they have first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative all electric energy purchased for use on the Member's premises, in accordance with established tariffs and 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, (hereinafter called the "Board"), and
- (d) Paid all security deposits and service connection fees required by Cooperative tariffs and policies.

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. Membership Records.** The Cooperative shall maintain a record of the names of the Members of the Cooperative.

**SECTION 3. Joint Membership.** Spouses may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "Member," as used in these bylaws shall be deemed to include spouses holding a joint membership and any provisions 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 (1) Member and shall have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one (1) vote;
- (c) A proxy executed by either or both shall constitute one (1) proxy;
- (d) If both spouses are in disagreement as to a vote, whether present in person or by proxy, each shall have a one-half (1/2) vote only;
- (e) A waiver of notice signed by either or both shall constitute a joint waiver;

- (f) Notice to either shall constitute notice to both;
- (g) Expulsion of either shall terminate the joint membership;
- (h) Withdrawal of either shall terminate the joint membership;
- (i) Either but not both may be elected as Director, provided that the joint Member so elected meets the qualifications for Director;
- (j) 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 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 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 any debts due the Cooperative.

**SECTION 4. Conversion of Membership.** A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and their spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board.

**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 the application for membership and shall pay therefore at rates fixed by the Board. Production of electric energy on the premises, by facilities owned by the Member, for use on Member's premises, and which facilities are to 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, which capital is assigned and credited to the Members and each Member shall be credited with the Member's share of the capital so furnished, as provided in these bylaws. Each Member shall also pay all amounts owed to the Cooperative, as and when the same shall become due and payable.

**SECTION 6. Cooperation of the Members in the Extension of Services.** The cooperation of Members of the Cooperative is imperative to the successful, efficient and economical operation of the Cooperative. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain and replace poles and power lines, overhead or underground, through, across and upon any real property or interest therein, owned, leased or controlled by said Member, for the furnishing of electric service to the Member or any other Member. When requested by the Cooperative, the Member agrees to execute and deliver to the Cooperative such grants of easements and rights-of-way on, over, under and across all lands owned, leased or otherwise controlled by the Member, with such reasonable terms and conditions as are agreed upon by the Cooperative and the Member, including the location and relocation of Cooperative facilities to

accommodate Member's use of Member's land and the payment of adequate consideration for the easement.

**SECTION 7. Classifications of Members.** The Cooperative shall only have one class of Members, which is defined as follows:

- (a) Members. All Members currently using electric service from the Cooperative, delivered to the respective Members, through one or more service connections, shall be Members of the Cooperative and, as such, shall have the right to vote upon any proposition submitted to the membership of the Cooperative and shall be eligible to hold any elective office in the Cooperative, providing the Member meets all other qualifications established in the bylaws.
- (b) Former Members. Those persons, having otherwise qualified for membership in the Cooperative, but who are not currently using electric service from the Cooperative, shall not be classified as Members for purposes of these bylaws and shall not be eligible to vote upon any proposition submitted to the membership of the Cooperative or to hold any elective office in the Cooperative.

**SECTION 8. Termination of Membership.**

- (a) Except in the case of a Joint Membership, the death of a human Member shall terminate the membership. Upon notice to the Cooperative, such membership shall be transferred to the person or persons designated by the legal representative of the estate of the deceased Member.
- (b) The cessation of the existence of a Member that is a legal entity, such as a corporation, limited liability company, partnership or limited partnership, shall terminate the membership. Upon notice to the Cooperative, such membership shall be transferred to the person or entity designated by an authorized representative of the dissolved entity.

**SECTION 9. 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 liability of the Cooperative.

## **ARTICLE II MEETINGS OF MEMBERS**

**SECTION 1. Annual Meeting.** The annual meeting of the members shall be held once each calendar year at such time and at such place as selected by the Board. If so determined by the Board, the meeting may be held virtually and without a specified location. Any meeting held virtually, by any electronic means, shall be conducted in a manner that allows the members to all hear the information presented at the meeting, as well as communications from other members and allows all members to communicate with all other meeting participants. It shall be the responsibility of the Board to determine how the annual meeting of the members is to be conducted and to make adequate plans and preparations for the annual meeting. Failure to hold an annual meeting 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, or upon a written request signed by any three Board members, or the Chairperson, or by not less than two hundred (200) members or by ten percent (10%) of all the members, whichever shall be the lesser, 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 in the same manner as annual meetings of the members and the Board shall determine how the special meeting is to be conducted.

**SECTION 3. Notice of Members' Meetings.** Written or printed notice stating the date, time and place of the meeting, or, if the meeting is to be held virtually, the date, time and manner of electronic communication to be used to conduct the meeting, shall be delivered not less than seven (7) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at their address as it appears on the records of the Cooperative, with postage thereon prepaid. In the case of a joint membership, notice given to either spouse shall be deemed notice to both. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action that may be taken by the members at any such meeting. In the 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 stated in the notice.

**SECTION 4. Quorum.** At least one percent (1%) of the members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership the presence at a meeting of any of the joint members shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person or represented by proxy may adjourn the meeting from time to time without further notice.

**SECTION 5. Voting.** Each member shall be entitled to only one (1) vote upon each matter submitted to a vote of the members. All questions shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, the articles of incorporation or these bylaws. For elections of Directors, each member shall have one vote per Director to be elected, but voting shall not be cumulative. The candidate for Director, in each district, who receives the highest number of votes shall win. In case of a tie, the winner shall be determined by lot. The Board shall have the discretion to determine the manner of voting to be used at a member meeting, including the option of restricting the voting to in person voting only, including the option of voting by proxy, as provided for in these bylaws, the option of voting electronically, the option of voting telephonically, the option of voting by mail and the option of voting by multiple means. The Board shall have the responsibility of implementing such procedures as are necessary to assure that the voting is limited to members only and that each member is allowed to cast only one (1) ballot.

**SECTION 6. Proxy Voting.** At all meetings of members held in person, with in person voting only, a member may vote by proxy by executing such proxy in writing and giving such proxy only to another member who attends the meeting in person. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be voted at any meeting of the members, unless it shall designate the name of the member to whom the proxy is given and designates the meeting at which it is to be voted. No proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No member shall vote as proxy for more than one (1) member at any meeting of the members and no proxy shall be valid after sixty (60) days from the date of its execution. The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by such member and such member shall be entitled to vote at such meeting, in the same manner and with the same effect as if such member had not executed a proxy. In the case of a joint membership, a proxy may be executed by either of the joint members. The presence of either joint member at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

If the Board determines that members may vote in any manner other than in person, no proxy voting will be allowed and each member must cast their own ballot.

**SECTION 7. Order of Business.** The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Determination of a quorum.
2. Reading of the notice of the meeting and proof of the mailing thereof.
3. Approval of unapproved minutes of previous meetings of the members and the taking of necessary action thereon. The unapproved minutes of previous meetings may be contained in the notice of the meeting and, if so included, verbatim, in the notice, will not need to be read prior to action thereon.
4. Election of Directors.
5. Unfinished business.
6. New business.
7. Adjournment.

**SECTION 8. Parliamentary Procedure.** Parliamentary procedure at all meetings of the members shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's certificate of incorporation or bylaws.

## **ARTICLE III BOARD OF DIRECTORS**

**SECTION 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine (9) members, 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. The Board of Directors shall authorize contracts, fix charges for its services for furnishing electric energy to its members, and for other services rendered for or to its members, and shall otherwise manage the affairs of the Cooperative in such a manner as may be necessary, convenient or proper in order to carry out its objects and purposes; provided, however, that the Cooperative shall not be operated for pecuniary profit either to itself or to its members.

**SECTION 2. Districts.** For the purpose of representation on the Board of Directors, the area served by the Cooperative is hereby divided into nine (9) districts, numbered 1 to 9 inclusive. The territory contained in each of said districts shall be determined by the Board of Directors annually, commencing in the year 1972, which determination shall be based upon the density of members in the area, in such manner as to afford the members, in the service area, as equal representation as is possible.

**SECTION 3. Election and Tenure of Office.** At the annual meeting of the members in the year 1968 and at the annual meeting of members every three (3) years thereafter, one (1) Director shall be elected in each of Districts 1, 3 and 7, each to serve for a term of three (3) years. At the annual meeting of the members in the year 1969 and at the annual meeting of members every three years thereafter, one Director shall be elected in each of Districts 4, 6 and 9, each to serve for a term of three years. At the annual meeting of the members in the year 1970 and at the annual meeting of members every three years thereafter, one Director shall be elected in each of Districts 2, 5 and 8, each to serve for a term of three years. All Directors shall hold office until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to removal of Directors. If an election shall not be held on the day designated herein for the annual meeting or any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Directors within a reasonable time thereafter. Directors may be elected by a plurality vote of the members.

**SECTION 4. Qualifications.** No person shall be eligible to become or remain a board member of the Cooperative who:

- (a) is not a human member of the Cooperative and receiving electric service therefrom at the member's primary residential abode;
- (b) is not a bonafide resident of the Cooperative district the member is elected or appointed to represent;
- (c) has not been a member of the Cooperative for a period of at least two (2) years prior to the Member's appointment or election as Director;
- (d) is in any way employed by the Cooperative or is in way employed by or financially interested in a competing enterprise or business selling electric energy or supplies

to the Cooperative, other than a business operating on a Cooperative non-profit basis for the purpose of furthering rural electrification; and

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 establishment of the fact that any person being considered for, or already holding, a 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 them to be removed therefrom, whichever may be the case. Upon the establishment of the fact that a Director is holding office in violation of this Section, it shall be the duty of the remaining Directors on the Board to remove such director from office.

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 that 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 5. Nominations.** It shall be the duty of the Board to appoint, not less than forty (40) days nor more than one hundred twenty (120) days before the date of a meeting of the members at which Board members are to be elected, a committee on nominations, consisting of at least two (2) members from each district in which a Director is to be elected. No member of the Board may serve on such committee. The committee shall prepare and post at the principal office of the Cooperative, at least thirty (30) days before the meeting, a list of nominations for Directors, which shall include at least one or more candidates for each Board position to be filled by the election. The Secretary shall be responsible for mailing, either in the notice of the meeting or separately, but at least seven (7) days before the date of the meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen (15) or more members acting together may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, in order to be valid, must be received at the principal office of the Cooperative at least thirty (30) days before the meeting. Any nomination by petition that meets the requirements of the bylaws, shall be set forth in the annual meeting notice as nominations made by petition and any such nominations shall appear on the official ballot.

**SECTION 6. Removal of Board Member by Members.** Any member may bring one or more charges against any Board member and may request the removal of such Board member by reason thereof by filing with the Secretary such charges in writing, together with a petition signed by not less than ten percent (10%) of the then total members of the Cooperative. The petition shall call for a special meeting of the members, the stated purpose of which shall be to hear and act upon such charges and, if a Board member is recalled, to elect a successor. The petition shall specify the place, time and date of the

special meeting, which shall be not sooner than sixty (60) days after filing of such petition, or the petition shall specify that the matter be acted upon at the next annual meeting of the members, if such meeting will be held no sooner than sixty (60) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name and address of the member or members filing such charges, a verbatim statement of such charges and the name of the Board member against whom such charges are being made. The petition shall be signed by each member in the same name as they are billed by the Cooperative and shall state the signatory's address as the same appears on such billings.

The charges against the Board member or Board members against whom the charges have been made shall be contained verbatim, together with the names and addresses of the members filing the charges and the purpose of the meeting shall be contained in the notice of the meeting and the notice of the meeting shall be mailed to the members not less than seven (7) days prior to the meeting of the members at which the matter will be acted upon. All Board members against whom the charges are directed shall be informed in writing of the charges after they have been validly filed and such Board member shall be so informed at least thirty (30) days prior to the meeting of the members at which the charges are to be considered. All Board members against whom the charges are filed shall have an opportunity at the meeting of the members to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charges. The members bringing the charges shall have the same opportunity and such members must be heard first.

The question of the removal of such Board members shall, separately for each if more than one has been charged, be considered and voted upon at such meeting. The affirmative vote of two-thirds (2/3) of the votes present and voted, either in person or by proxy, shall be required in order to remove any member of the Board of Directors from office. 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 nomination shall be made from the floor. Any newly elected Board member shall meet the qualifications listed in Article III, SECTION 4, of these bylaws and shall serve the remaining term of the Board member replaced. Each newly elected Board member shall be from the same district as was the Board member removed from office and shall serve the unexpired portion of the removed Board member's term.

**SECTION 7. Vacancies.** Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, a vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Board members and Directors thus appointed shall serve until the next annual meeting of members, at which time the members shall elect a director to fill such vacancy and to serve for the unexpired portion of the term.

**SECTION 8. Compensation.** Board members shall not receive any salary for their services as such, except that the members of the Board may be by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee

assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board members shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or their close relative shall have been certified by the Board as an emergency measure. For the purpose of this Section, close relative includes grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, by blood, by marriage or by adoption and spouses of any of the foregoing. In the event an employee of the Cooperative becomes a close relative of a Board member, as a result of a marriage or Board member election subsequent to the employee's date of employment, this prohibition shall not apply.

**SECTION 9. Policies, Rules and Regulations.** The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with the law, the certificate of incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 10. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system, which shall conform to such generally accepted accounting principles for not-for-profit electric distribution cooperatives. The Board of Directors shall also, after the close of each fiscal year, cause to be made a full audit of the financial condition of the Cooperative as of the end of such fiscal year. A condensed report of such audit shall be submitted to the members at the following annual meeting.

#### **ARTICLE IV MEETINGS OF DIRECTORS**

**SECTION 1. Meetings.** Within thirty-five (35) days after the annual meeting of the members, the Board of Directors shall meet to organize. Regular meetings of the Board of Directors shall be held monthly, in such manner as the Board of Directors may determine by resolution of the Board. Meetings of the Board of Directors may be held in person, at a date, time and place designated by the Chairman or may be held virtually, at a date and time designated by the Chairman, by any electronic means that allows all Board members to hear all other Board members and to communicate with all other Board members.

**SECTION 2. Special Meetings.** Special meetings of the Board of Directors may be called by the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the date, time and format for the holding of any special meeting of the Board of Directors called by them.

**SECTION 3. Notice.** Regular meetings of the Board of Directors, held at the time and in the format determined by resolution of the Board, may be held without notice, other than the resolution of the Board. Notice of the time, format and purpose of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours previous thereto, by written notice, delivered personally, by mail, by facsimile, email, or any other electronic means approved by the Board, to each Director, at their last known address. If mailed, such notice shall be deemed to be delivered at 1:00pm on the third day after the postmark date. If emailed, texted, faxed, or delivered by any other electronic means, such notice shall be deemed effective when sent. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in the case a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

**SECTION 4. Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors participate at said meeting, a majority of the Directors participating may adjourn the meeting from time to time without further notice.

**SECTION 5. Manner of Acting.** The act of the majority of the Directors participating in a meeting at which a quorum is present shall be the act of the Board of Directors.

**SECTION 6. Action by Unanimous Written Consent.** Any action required or permitted to be taken by the Board of Directors at a meeting of the Board may be taken without a meeting, if a consent in writing, setting forth the actions so taken, shall be signed, including electronic signatures acknowledged by Board policy, by all of the Directors then holding the office. The consent may be evidenced by one or more separate written approvals, each of which sets forth the action taken and bears the approved signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Secretary to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent, unless the consent specifies a different effective date. Any such written consent signed by all the Directors shall have the same effect as a unanimous vote.

## **ARTICLE V OFFICERS**

**SECTION 1. Officers.** The officers of the Cooperative shall be: Chairperson of the Board, President, Vice Chairperson, Secretary, and Treasurer and such officers as may be determined by the Board of Directors from time to time.

**SECTION 2. Election and Term of Office.** The Chairperson of the Board, Vice Chairperson, Secretary, and Treasurer shall be elected, by ballot, annually, by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. Each such officer will hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until a successor has been elected and has qualified, subject to the provisions of these bylaws with respect to the removal of officers. Any vacancy in any office shall be filled by the Board for the

unexpired portion of the term. The President shall be selected by the Board of Directors, by formal Board action and shall serve at the will of the Board of Directors.

**SECTION 3. Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, at any time, by a majority vote of the Board of Directors.

**SECTION 4. Chairperson of the Board.** The Chairperson of the Board shall preside at all meetings of the members and of the Board of Directors. The Chairperson of the Board may sign deeds, mortgages, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof are delegated by the Board of Directors or these bylaws to the President or to some other officer or agent of the Cooperative.

**SECTION 5. President.** The President will be the chief executive officer of the Cooperative and will be responsible for conducting the day-to-day business of the Cooperative. The President will perform all duties incident to the office of President and such other duties determined by the Board of Directors.

**SECTION 6. Vice Chairperson.** In the absence of the Chairperson of the Board, or in case of the Chairperson's inability to act, the Vice Chairperson will preside at meetings of the members and of the Board of Directors, and when so acting, will have all the powers of the Chairperson of the Board.

**SECTION 7. Secretary.** The Secretary will be responsible for:

- (a) keeping the minutes of meetings, personally or by delegation, of the members and of the Board of Directors and for confirming that the minutes of such meetings are maintained in one or more books provided for that purpose at the main office of the Cooperative;
- (b) confirming that all notices are duly given according to these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records;
- (d) confirming that the Cooperative keeps a register of the name and post office address of each member, as provided to the Cooperative office by such members;
- (e) confirming that the Cooperative keeps on file a complete copy of the bylaws of the Cooperative, containing all amendments thereto, which copy will be open to the inspection of any member, and
- (f) in general, performing all duties incident to the office of Secretary and such other duties as from time to time determined by the Board.

**SECTION 8. Treasurer.** The Treasurer will be responsible for:

- (a) confirming that all funds and securities of the Cooperative are safely maintained at the Cooperative office or under the direct control of authorized Cooperative personnel at financial institutions approved by the Board of Directors;

- (b) confirming that Cooperative personnel maintain a complete record of all monies received by or due to the Cooperative and all monies due from or paid out by the Cooperative; and
- (c) the general performance of all duties incident to the office of Treasurer and such other duties as from time to time determined by the Board.

**SECTION 9. Compensation.** No officer who is also a member of the Board of Directors shall be entitled to any compensation other than that provided for a member of the Board of Directors. The compensation of any other officers shall be fixed by the Board of Directors.

**SECTION 10. 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 years.

## **ARTICLE VI CONTRACTS, CHECKS AND DEPOSITS**

**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 instruments in the name and on behalf of the Cooperative and such authority may be general or confined to special 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 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 of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

## **ARTICLE VII FISCAL YEAR**

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

## **ARTICLE VIII INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS**

**SECTION 1.** The Cooperative shall indemnify any person 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 (other than an action by,

or in the right of, the Cooperative) by reason of the fact that such person is or was a Director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

**SECTION 2.** The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgement in its favor by reason of the fact that such person is, or was, a Director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a Director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjusted to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify of such expenses as the court shall deem proper.

**SECTION 3.** To the extent that a Director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section (1) and (2), in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

**SECTION 4.** Any indemnification under Section (1) and (2) (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections (1) and (2). Such determination shall be made (a) by the Board of

Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceedings, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (c) by the members.

**SECTION 5.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that they are entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested Directors, or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Director, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

## **ARTICLE IX 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 Service.** In the furnishing of electric service, the Cooperative's operation shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to ensure that the Cooperative will be operated on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for amounts received and receivable from the furnishing of electric service in excess of operating costs and expenses properly chargeable against the furnishing of such service. 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 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.

**SECTION 3. Patronage Capital in Connection with Other Operations.** 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. Capital credits allocated to the Cooperative from Prairie Power, Inc., but not paid in cash at the time of allocation, will be separately allocated to patrons on a patronage basis and this separate special allocation will be recorded in a separate special allocation account for each patron. This special allocation of Prairie Power, Inc. capital credits will not be included in any capital credit refund to the patrons. Upon receipt by the Cooperative of a cash distribution from Prairie Power, Inc., of a portion of capital credits previously allocated to the Cooperative, the cash portion of this special allocation account will be eligible for distribution as a patronage refund. Refunds made to the Estates of deceased patrons, on a discounted basis, will only include the patron's regular capital credit account and the cash portion of this special allocation account. The remainder of the special allocation account of the patron will be forfeited.

**SECTION 4. Distribution in Event of Dissolution or Liquidation and Refund of Capital Credits.** In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits, including the cash portion, if any, of Prairie Power, Inc. capital credit allocations, shall be retired without priority on a prorated basis, before any payments are made on account of property rights of members. All remaining assets shall be distributed to the members, prorated in proportion to each member's capital credit account paid out at the time of liquidation. 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. Not less than fifty (50) percent of any retirement or refund of capital credits made in the discretion of the Board of Directors prior to dissolution 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 the first retired. Not more than fifty (50) percent of any such discretionary refund of capital credits may be made to members other than in order of priority.

**SECTION 5. Assignment of Capital Credit Accounts.** 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 in part of such patrons' premises served by the Cooperative, unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Cooperative.

**SECTION 6. Discount Retirements to Estates of Deceased Patrons.** Notwithstanding any other provisions 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 representative of their estate shall request in writing that the capital credited to any such person 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, shall determine and the legal representative of such patron's estate shall agree upon. Retirements to estates of deceased patrons shall be discounted to present value, based upon the number of years in the Cooperative's capital credit retirement cycle and the Cooperative's cost of borrowed funds, as determined by policy of the Board of Directors.

**SECTION 7. Bylaws a Binding Contract.** 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 both between the Cooperative and each patron, and further, among all the patrons themselves individually. 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 with the Cooperative and each of its patrons. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office or by publication distributed by the Cooperative to its patrons.

## **ARTICLE X DISPOSITION OF PROPERTY**

**SECTION 1. Sale, Lease, Exchange, Mortgage or Pledge of Assets In Usual And Regular Conduct Of Cooperative Business.** The sale, lease, exchange or other disposition of all, or substantially all, the property and assets of the Cooperative, when made in the usual and regular course of the conduct of the business of the Cooperative, and a pledge or mortgage of the property and assets of the Cooperative, may be made upon such terms and conditions and for such considerations, which may consist, in whole or in part, of money or property, real or personal, including shares of any other corporation for profit, domestic or foreign, as shall be authorized by the Board of Directors of the Cooperative; and in such case no authorization or consent of members of the Cooperative shall be required.

**SECTION 2. Sale, Lease or Exchange of Assets, Other Than in Usual and Regular Conduct of Cooperative Business.** A sale, lease, exchange, or other disposition of all, or substantially all, the property and assets, with or without the good will, of the Cooperative, if not made in the usual and regular course of the conduct of the business of the Cooperative, may be made upon such terms and conditions and for such consideration, which may consist, in whole or in part, of money or property, real or personal, including shares of any other corporation, domestic or foreign, as may be authorized in the following manner:

- (a) The Board of Directors shall adopt a resolution recommending such sale, lease, exchange or other disposition and directing the submission thereof to a vote at a meeting of members, which may be either an annual or a special meeting.
- (b) Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each member not less than thirty (30) nor more than sixty (60) days before the date of the meeting. If such meeting be an annual meeting, such purpose may be included in the notice of such annual meeting.
- (c) At such meeting, the members may authorize such sale, lease, exchange or other disposition and fix, or may authorize the Board of Directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the Cooperative therefore. Such authorization shall require the affirmative vote of two-thirds (2/3) of the total members of the Cooperative.
- (d) After such authorization by a vote of members, the Board of Directors nevertheless, in its discretion, may abandon such sale, lease, exchange or other disposition of assets, without further action or approval by members entitled to vote.

**SECTION 3. Merger or Consolidation.** Merger or consolidation of the Cooperative with any other Cooperative or corporation shall be governed by Section 111 of the “General Not-For-Profit Corporation Act of 1986,” as amended.

## **ARTICLE XI MISCELLANEOUS**

**SECTION 1. Other Ventures and Organizations.** The Cooperative may, upon authorization of the Board of Directors, become a member or partner of, or purchase stock and other equity interests in, or lend money to, any other business entity or organization when, in the judgement of the Board of Directors, such membership, investment or loan will foster and further the purposes of the Cooperative and benefit its members and other rural residents.

**SECTION 2. Notice.** Any notice required to be given or delivered to the members of the Cooperative may be given either personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to such ~~active~~ member at the address of such member as it appears on the records of the Cooperative with postage thereon prepaid.

Each member shall promptly notify the Cooperative of any change in mailing address and any address correction required.

**SECTION 3. Waiver of Notice.** Any member or Board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member 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. In case of a joint membership, a waiver of notice signed by either spouse shall be deemed waiver of notice of such meeting by both joint members.

**SECTION 4. Lien, Security Interest and Set-off.** The Cooperative shall have a continuing lien against and a security interest in the patronage capital allocated and credited to a Member, perfected by possession, and, regardless of any statute of limitations, other time limitation, or bankruptcy, the Cooperative may recoup, offset or set-off any amount owed to the Cooperative by a Member at the time of payment of capital credits to the patron, Member or any legal representative or trustee of the Member. Such security interest and right of offset shall not, under any circumstances, accelerate the time of payment of any part of a Member's capital credit account to the Member, any legal representative or bankruptcy trustee.

**SECTION 5. Insurance.** The Board shall have the power to purchase and maintain insurance on behalf of any person who is a present or retired officer, employee, Director or agent of the Cooperative. The Board of Directors shall have the power to maintain any liability insurance necessary for the protection of the Cooperative or any person who is serving at the request of the Cooperative as a Director, officer, employee, or agent of another Corporation against any liability asserted against such person and incurred by such person in any such capacity or arising out of such status.

**SECTION 6. Area Coverage.** The Board 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 the reasonable requirements established by the Cooperative as a condition of such service.

## **ARTICLE XII AMENDMENTS**

**SECTION 1. Amendment of Certificate.** The certificate of incorporation of the Cooperative may be amended from time to time in the following manner:

- (a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be either a regular annual meeting or a special meeting.
- (b) Written or printed notice setting forth the proposed amendment shall be given to each member within the time and in the manner provided in these bylaws for the giving of notice of meetings of members. If such meeting be a regular annual meeting, the proposed amendment may be included in the notice of such regular annual meetings.
- (c) At such meeting a vote of the members shall be taken on the proposed amendment and the proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds (2/3) of those members present in person or represented by

proxy at such meeting. Any number of amendments may be submitted to the members and voted upon by them, at one meeting.

After adoption of the proposed amendment or amendments, the Board of Directors shall authorize the proper officers to take such further steps as may be required by law to effectuate the proposed amendment or amendments to the certificate of incorporation.

**SECTION 2. Amendment of Bylaws.** These bylaws may be altered, amended or repealed by a vote of the majority of the members present or represented by proxy at any regular or special meeting, provided that Article X may be altered, amended or repealed only by the affirmative vote of not less than two-thirds (2/3) of the members present or represented by proxy at any regular or special meeting. The notice of such meeting shall contain a copy of all the proposed alterations, amendments or repeals to be considered at such meeting.

Revised: 1951  
Second Revision: January, 1955  
Third Revision: August, 1956  
Fourth Revision: August, 1957  
Fifth Revision: September, 1958  
Sixth Revision: September, 1961  
Seventh Revision: September, 1962  
Eighth Revision: September, 1964  
Ninth Revision: September, 1967  
Tenth Revision: September, 1971  
Eleventh Revision: September, 1974  
Twelfth Revision: August, 1978  
Thirteenth Revision: September, 1979  
Fourteenth Revision: September, 1980  
Fifteenth Revision: August, 1983  
Sixteenth Revision: September, 1987  
Seventeenth Revision: August, 1989  
Eighteenth Revision: August, 1992  
Nineteenth Revision: August, 1997  
Twentieth Revision: August, 1998  
Twenty-First Revision: August, 2009  
Twenty-Second Revision: August 2021  
Twenty-Third Revision: August 2024