

BY-LAWS
OF
ATCHISON-HOLT ELECTRIC COOPERATIVE
Rock Port, Missouri

As Amended 2007

ARTICLE I - MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a member in Atchison-Holt Electric Cooperative (hereinafter called the "Cooperative") by:

- a) filing a written application for membership therein;
- b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- c) agreeing 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;
- d) and paying the membership fee hereinafter specified.

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

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

- a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of constituting a joint waiver of notice of the meeting;
- b) The vote of either separately or both jointly shall constitute one joint vote;
- c) A waiver of notice signed by either or both shall constitute a joint waiver;
- d) Notice to either shall constitute notice to both;
- e) Expulsion of either shall terminate the joint membership;
- f) Withdrawal of either shall terminate the joint membership;

- g) Either, but not both, may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

SECTION 3. Conversion of Membership.

- a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board of directors.
- b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 4. Membership and Service Connection Fees. The membership fee shall be \$25.00, upon the payment of which a member shall be eligible for a service connection.

SECTION 5. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the board of directors. It is expressly understood that the amount paid for electric energy in excess of the cost of service is furnished by members as capital and each member shall be credited with the capital so furnished as provided in the bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumer, as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 6. Termination of Membership.

- a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe. The board of directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the board of directors, but only if such members shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board of directors. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, shall be cancelled by resolution of the board of directors.

- b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- c) In case of withdrawal or termination of the membership in any manner, the Cooperative will repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

ARTICLE II – RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after:

- a) all debts and liabilities of the Cooperative shall have been paid, and;
- b) all capital furnished through patronage shall have retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

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

ARTICLE III – MEETING OF MEMBERS

SECTION 1. Annual Meeting. The Annual Meeting of the members shall be held between June 15 and September 15 of each year, beginning with the year 1969, on such day and at such place in the County of Atchison, State of Missouri, as shall be designated by the Board of Directors in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board of directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the time designated in the notice of such 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 board of directors or upon written request signed by any three directors, by the president, or by ten 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 the County of Atchison, State of Missouri, specified in the noticed of the special meeting.

SECTION 3. Notice of Members' Meeting. Written or printed notice stating the place, day and hour of the meeting, and in case of a special or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days or more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. A quorum shall consist of such number of members present in person as required by the State Statutes of Missouri. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these bylaws, and except that members may vote by mail, under procedure established by the Board of Directors, on any proposition submitted to the members for approval pertaining to any of the following matters:

- a) The Cooperative's proposed merger or consolidation with one or more other rural electric cooperatives; or
- b) The Cooperative's proposed sale, lease, or disposal of all or any substantial portion of its property to one or more other rural electric cooperatives.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

- 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 publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.

- c) Reading of unapproved minutes or previous meetings of the members and the taking of necessary action thereon.
- d) Presentation and consideration of reports of officers and manager.
- e) Election of directors.
- f) Unfinished business.
- g) New business.
- h) Adjournment.

ARTICLE IV – DIRECTORS

SECTION 1. **General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of conversion or these bylaws, conferred upon or reserved to the members.

SECTION 2. **Election and Tenure of Office.** The persons named as directors in the articles of conversion shall compose the board of directors until the first annual meeting following the conversion of the Cooperative under the Rural Electric Cooperative Act or until their successors shall have been elected and qualified. Beginning with the first annual meeting of the Cooperative following its conversion held in 1946, the directors of the Cooperative shall be divided into three classes, each of which shall consist of three directors. The term of office of the directors of the first class elected at the annual meeting in 1943 shall expire at the next succeeding annual meeting; the term of office of the directors of the second class elected at the annual meeting in 1944 shall expire at the second succeeding annual meeting; the term of office of the directors of the third class elected at the annual meeting in 1945 shall expire at the third succeeding annual meeting. At each annual meeting after the annual meeting held in 1946, three directors shall be elected by ballot by and from the members to serve until the third succeeding annual meeting of the members or until their successors shall have been elected and shall have qualified.

If an election of directors shall not be held on the date designated herein for the annual meeting or at any adjournment thereof the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as practicable. Directors may be elected by a plurality vote of the members.

SECTION 3. **Qualifications.** No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:

- a) is not a member and bona fide resident of the area served or to be served by the Cooperative; or is in any way financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove such director from office.

Nothing contained in this section shall affect in any way or manner whatsoever the validity of any action taken at any meeting of the board of directors.

SECTION 4. Nominations. Nominations for directors shall be made from the floor by the members at the annual meeting. The chairman shall invite and call for nominations, and nominations shall not be closed until at least one minute has passed during which no additional nomination has been made. No member may nominate more than one candidate.

SECTION 5. May Create Voting Districts. If at any time the board of directors deem it expedient and beneficial to the cooperative, they may by resolution, divide the territory served by the Cooperative into voting districts not exceeding nine in number, for the purpose of properly distributing its directors over the area in which its members reside. Said resolution shall set out and define said voting district by numbers, and shall state the number of directors to which each district is entitled.

SECTION 6. Removal of Directors by Members. Any member may bring charges against a director, and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provision with respect to nominations.

SECTION 7. Vacancies. Subject to the provisions of these bylaws, with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the board of directors shall be filled by affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

SECTION 8. Compensation. Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for attendance of each meeting of the board of directors; for meetings attended by the directors on

behalf of the Cooperative and for business conducted on behalf of the Cooperative.

ARTICLE V – MEETING OF DIRECTORS

SECTION 1. **Regular Meetings.** A regular meeting of the board of directors shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Atchison County, Missouri, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. **Special Meetings.** Special meetings of the board of directors may be called by the president or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The president or the directors calling the meeting shall fix the time and place (which shall be in Atchison County, Missouri), for the holding of the meeting.

SECTION 3. **Notice of Directors Meeting.** Written notice of the time, place and purpose of any special meeting of the board of directors shall be delivered to each director not less than five days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereupon prepaid.

SECTION 4. **Quorum.** A majority of the board of directors shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent director of the time and place of the adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

ARTICLE VI – OFFICERS

SECTION 1. **Number.** The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer and such other officers as may be determined by the board of directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. **Election and Term of Office.** The officers shall be elected by ballot, annually by and from the board of directors at the meeting of the board of

directors held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until the first meeting of the board of directors, following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by Directors. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members, may request the removal of an officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President. The President shall:

- a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the board of directors, shall preside at all meetings of the members and board of directors; and
- b) sign any deeds, mortgages, deeds of trust, 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 shall be expressly delegated by the board of directors or by these by-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

SECTION 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 6. Secretary. The Secretary shall:

- a) keep the minutes of the meetings of the members and of the board of directors in one 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 affix the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperatives under its seal is duly authorized in accordance with the provision of these bylaws;
- d) keep a register of the names and post office addresses of all members;
- e) have general charge of the books of the Cooperative;
- f) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, forward a copy of the bylaws and all amendments thereto to any member upon request; and
- g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the board of directors.

SECTION 7. Treasurer. The Treasurer shall:

- a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- b) be responsible for the receipt and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these by-laws; 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 to him by the board of directors.

SECTION 8. Manager. The board of directors may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board of directors may from time to time vest in him.

SECTION 9. Bonds of Officers. The Treasurer and any other office or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties, and compensation of officers, agents and employees shall be fixed by the board of directors subject to the provision of these bylaws with respect to compensation for directors.

SECTION 11. **Reports.** The officers of the Cooperative shall submit to each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII – PATRONAGE CAPITAL

SECTION 1. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. The Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative.

In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons. Members and non-members alike, for all amounts received from the furnishing of electric energy in excess of operating costs and 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, members and non-members alike, as capital. The Cooperative is obligated to pay all such amounts in excess of operating costs and expenses to the patrons by credits to a capital account for patron. 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, 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 his account. All 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. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patron's accounts may be retired in full or in part. Any such retirements of capital 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. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

In the event 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 directors at its discretion shall have the power at any time upon the death of a natural person who is a patron if the legal representatives of his/her estate shall request in writing that the capital credited to any such natural person who is a patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such natural person who is a patron immediately upon such terms and conditions as the Board of Directors acting under policies of general application and legal representatives of such person's estate shall agree upon provided, however, that the financial condition of the Cooperative will not be impaired thereby.

SECTION 2. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provision. 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.

SECTION 3. Non-Operating Margins. 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 an amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

ARTICLE VIII – DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of, except by mortgage, all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting; provided however, that notwithstanding anything herein contained, or any other provisions of law, the board of directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be

acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the Cooperative to United State of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization.

In addition to the foregoing provisions in this Article and any other applicable provisions of law or these bylaws, no sale, lease, exchange, transfer or other disposition of all or any substantial portion of the Cooperative's property shall be authorized except in conformity with the following:

- a) If the Board of Directors of the Cooperative believes there may be sufficient benefit from any proposal from another party for such sale, lease, exchange, transfer or other disposition of the Cooperative's property, the board of directors shall first cause three (3) independent, non-affiliated appraisers, experts in such matters, to render their individual opinions as to the value of the property with respect to such a sale, lease, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) appraisers shall be designated by the board of directors, or within their discretion, by the Presiding Judge of the Circuit Court of Atchison County, Missouri. If such judge refuses to make such designations, they shall be made by the board of directors.
- b) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it may, within the discretion of the Board, first give other rural electric cooperatives an opportunity to submit competing proposals, subject to the priority of an existing Right of First Refusal Contract between the Cooperative and its power supplier, N.W. Electric Power Cooperative, Inc. Such opportunity may be in the form of a written notice to such rural electric cooperative, which notice may be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such rural electric cooperative shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
- c) If the board of directors then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before the date of any special meeting of the members thereon or, if such be the case, the next annual members meeting, expressing in detail each of any such proposals, and may call a special meeting of the members for consideration and action on such proposals, which meeting shall be held not less than ten (10) days nor

more than twenty-five (25) days after the giving of notice of such meeting.

- d) Any fifty (50) or more members, by so petitioning the board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the board has made.
- e) The provision of this second paragraph and subparagraphs to Article VIII shall not apply to a sale, lease, exchange, transfer or other disposition of property to one or more other rural electric cooperatives if the purpose or legal effect thereof is to merge or consolidate with such other one or more rural electric cooperatives, or to the priority of an existing right of First Refusal Contract between the Cooperative and its power supplier, N.W. Electric Power Cooperative, Inc. No proposal to sell, lease or dispose of all or a substantial portion of the property of the Cooperative shall be submitted to a vote of the membership unless such proposal is approved by the Cooperative's board of directors as provided in this bylaw.

ARTICLE IX – SEAL.

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, (Missouri)".

ARTICLE X – FINANCIAL TRANSACTIONS

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

SECTION 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed as such by the 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 elect.

SECTION 5. **Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the last day of December of each year.

ARTICLE XI – MISCELLANEOUS

SECTION 1. **Membership in Other Organizations.** Upon authorization of the board of directors, the Cooperative may purchase stock in any corporation or become a member of any organization as follows: (1) that is organized for the purpose of providing any type of necessary or beneficial goods and services such as but not limited to energy, fuel water and sewer services; or 2) that is organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the administrator of the Rural Utilities Services, or any other corporation for the purpose of acquiring electric facilities; provided, however, that except for the corporation or organizations described above, the Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase.

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

SECTION 3. **Rules and Regulations.** The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. **Accounting System and Reports.** The board of directors shall cause the records of the Cooperative to be kept in accordance with generally accepted accounting principles and any accounting system requirements established by the Rural Utilities Services of the United States Department of Agriculture. The board of directors shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit report shall be made available to the members at the next following annual meeting.

SECTION 5. **Area Coverage.** The board of directors shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all

reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Indemnification of Directors, Officers and Employees. The Cooperative shall indemnify to the full extent permitted by law, including all costs, expenses and liabilities incurred, any person made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he, his testator or intestate is or was a director, officer or employee of the Cooperative or serves or served any other enterprise at the request of the Cooperative.

SECTION 7. Notwithstanding any provision herein contained to the contrary, any member, former member or other customer who fails to claim any capital credits, patronage refunds, utility deposits, membership fees, or account balances within two (2) years after payment thereof has been made available to such person shall have made an irrevocable assignment and gift to the Cooperative of such unclaimed money. Upon expiration of at least two (2) years, after availability of such money, the Cooperative shall give at least sixty (60) days notification by publishing in a newspaper of general circulation published in the county, within the Cooperative's service area, of the last known address or last service location of the member, former member or customer. Such notice shall contain the owner's name, approximate amount and type of owner's interest, and that if not duly claimed, within sixty (60) days of said notice, the unclaimed money shall be deemed assigned and donated to the Cooperative. If no provable claim shall have been filed within sixty (60) days after the publication of said notice, the Cooperative shall, after offsetting any outstanding amounts due and owing the cooperative from said member, former member or customer, thereafter treat the net unclaimed amount as donated capital of the Cooperative, includable in the fiscal year in which the sixtieth day after published notice falls. After first treating the unclaimed money of any member, former member or customer as donated capital, any future unclaimed money of that member, former member or customer shall be treated as donated capital without notice.

ARTICLE XIII – AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided, the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.