

## **West Central Electric Cooperative, Inc. Bylaws**

### **Article I** *Membership*

#### **Section 1. Requirements for Membership**

Any person, firm, association, corporation, or body politic or sub-division thereof may become a member in West Central Electric Cooperative, Inc., (hereinafter called the Cooperative”) by:

- (a) filing an application for membership therein;
  - (b) purchasing 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; and
  - (d) paying the membership fee, if any, as established by the Board of Directors as hereinafter provided;
- provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Directors. 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. Proof of Membership**

The membership list maintained by the Cooperative shall be conclusive as to membership status.

#### **Section 3. Joint Membership**

Persons who qualify to be members may apply for joint membership in the Cooperative. A joint member may consist of:

- A married couple as recognized under Missouri law.
- Adult individuals living in the same location.
- Individuals jointly owning property at the location of the meter.

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 action by or in respect to 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.

#### **Section 4. 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 the holder as defined in Section 3 to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Directors. The records of the Cooperative shall be changed in such a manner as shall indicate the changed membership status.

(b) Upon the death of either party who is a party to the joint membership, such membership shall be held solely by the survivor. The records of the Cooperative shall be changed in such a manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

#### **Section 5. Membership Fees**

The membership fee, if any, shall be established from time to time by the Board of Directors upon payment of which a member shall be eligible for one service connection.

#### **Section 6. Purchase of Electric Energy**

Each member shall, as soon as electric energy be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, unless otherwise agreed to by the Board of Directors. Each member shall pay therefore at rates which shall from time to time be fixed by the Board of Directors. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, 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 7. 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 the 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 member shall have been given written notice by 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 or by vote of the members at any annual meeting or special meeting. 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, or of a member who has ceased to purchase energy from the Cooperative, may 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 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 been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed 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.

#### **Section 2. Non-liability for Debts of the Cooperative**

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

## **Article III**

### *Meetings of Members*

#### **Section 1. Annual Meeting**

The annual meeting of the members shall be held on some day in the months of June, July, August or September, the exact day each year to be determined and fixed by resolution of the Board of Directors of the Cooperative at least sixty (60) days prior to the date of said meeting, at such place within the service area of the Cooperative, as shall be designated by the Board of Directors of the Cooperative and specified in the notice of the meetings, 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 designated time shall not work a forfeiture or dissolution of the Cooperative.

#### **Section 2. Special Meetings**

Special meetings of the members may be called by resolution of the Board of Directors, or upon a written resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or by ten percentum 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 area served by the Cooperative, specified in the notice of the special meeting.

#### **Section 3. Notice of Members' Meetings**

Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty five days before the date of the meeting, either personally or by mail, 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 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 two percent (2%) of the first two thousand members and one percent (1%) of the members in excess thereof present in person. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

#### **Section 5. Voting**

Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person or by mail-in ballot, in addition to those voting by any other lawful means established by resolution of the Board of Directors of the Cooperative at least sixty (60) days prior to the date of said meeting and specified in the notice of the meeting, except as otherwise provided by law, the Articles of Incorporation or these bylaws.

#### **Section 6. Proxies**

Voting by proxy shall not be permitted.

#### **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) Approval of the agenda.
- (2) Report as to which members are present in person in order to determine the existence of a quorum.
- (3) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or waiver or waivers of notice of the meeting, as the case may be.
- (4) Reading of unapproved minutes of previous meetings of the members and taking of necessary action thereon.
- (5) Presentation and consideration of reports of officers, directors and committees.
- (6) Election of directors
- (7) Unfinished business
- (8) New business
- (9) 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 of 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 shall have qualified. Beginning with the first annual meeting of the Cooperative following its conversion in 1947, the directors of the Cooperative shall be divided into three classes, each of which shall consist of three directors. The terms of office of the directors of the first class elected at the annual meeting in 1947 shall expire at the next succeeding annual meeting; the terms of office of the directors of the second class elected at the annual meeting in 1947 shall expire at the second succeeding annual meeting; the terms of office of the directors of the third class elected at the annual meeting in 1947 shall expire at the third succeeding annual meeting held in 1947, 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 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. Drawing by lot shall resolve any tie vote.

## **Section 3. Qualifications**

To apply/run to be a director and remain a director, a person must comply with the following qualifications:

- (a) Be an individual,
- (b) Have the capacity to enter into legally-binding contracts,
- (c) Not have been convicted of or plead guilty to a felony,
- (d) Be a member who continuously uses cooperative energy and services at his/her permanent, primary place of residence in the district which they were elected to serve,
- (e) Not in any way be employed by or financially interested in a competing enterprise or business, including selling any form of energy. They also must not be in the business of selling electrical supplies to the cooperative,
- (f) Not have been, in the last 3 years, employed by the cooperative or be a close relative of said employee.
- (g) Not be a close relative of a current board member.
- (h) A close relative will be defined as a child, parent, brother, sister, half-brother, half-sister, grandchildren, grandparents. This includes their spouses and anyone living in the same household.
- (i) Attend 2/3 of the regular meetings unless excused for cause by 2/3 of the remaining board members.

Under establishment that a director is holding office in violation of either the qualifications or residency provisions, the board shall by 2/3 roll call vote of the full board remove such director.

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

## **Section 4. Nominations**

It shall be the duty of the board of directors to appoint a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different sections so as to insure equitable representation. No member of the board of directors may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the

Cooperative at least seventy-five (75) days before the meeting a list of nominations for directors which, at the option of the committee, may include more than one nominee for each position that is to be elected. Any fifteen or more members acting together may make other nominations by petition not less than sixty (60) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and the names and addresses of the candidates.

#### **Section 4a. Geographic Representation Required**

The territory in which the Cooperative supplies electrical energy to its members shall be divided into geographical districts for the purpose of equitably distributing the Cooperative's directors over the district in which its members reside. The district together with the number of directors who shall represent the respective districts, are as follows:

**District Number 1** – Two directors. District Number One shall consist of all that part of the Cooperative's territory lying within the County of Jackson in the State of Missouri, and that part of the Cooperative's territory lying within Lafayette County west of Z Highway, and that part of the Cooperative's territory lying north of Interstate 70 which is west of Highway 131.

**District Number 2** – Two Directors. District Number Two shall consist of all that part of the Cooperative's territory lying within the County of Lafayette, except that part in District One, but shall include all of that part of Cooperative's territory lying within the County of Saline in the State of Missouri.

**District Number 3** – Two Directors. District Number Three shall consist of all that part of the Cooperative's territory lying within the County of Johnson in the State of Missouri, lying north of Highway 50, and all that part of the Cooperative's territory lying within Township 46 north, Range 25 west lying south of Highway 50, and all that part of the Cooperative's territory lying within the County of Pettis in the State of Missouri.

**District Number 4** – Two Directors. District Number Four shall consist of all that part of the Cooperative's territory lying within the County of Cass, in the State of Missouri, and all that part of the Cooperative's territory lying within the County of Johnson, in the State of Missouri, excluding the territory of District Three.

**District 5, At-Large District** – One Director. The At-Large District shall consist of all the Cooperative's territory in the State of Missouri.

The nominations of directors, appointment of directors, and election of directors shall be made in compliance with the provisions set forth herein; with the qualifications of a director in this regard being determined by his residency within the above described geographic districts. The provisions set forth in this section are in addition to and supplement other qualifications which exist or may exist pertinent to the position of Director.

Upon passage of the by-law provision, the new districts will be implemented according to the following time line:

#### **Election Year 2013**

1 Director Each      Districts One, Two & Four

#### **Election Year 2014**

2 Directors      District Three

1 Director      District Five

#### **Election Year 2015**

1 Director Each      Districts One, Two & Four

#### **Section 5. 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 percentum of the members, may request 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 of 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 provisions with respect to nominations.

### **Section 6. Vacancies**

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

### **Section 7. 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 actual expenses of attendance, if any, may be allowed for attendance at each meeting thereof, or as delegates of the board of directors to any meeting or activity relating to the administration or business of the Cooperative. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such director or close relative shall have been certified by the board of directors as an emergency measure.

## **Article V**

### *Meetings of Directors*

#### **Section 1. Regular Meetings**

A regular meeting of the board of directors shall be held without notice, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place within one of the counties served by the Cooperative as 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 directors calling the meeting shall fix the time and place for the holding of the meeting.

#### **Section 3. Notice of Directors' Meetings**

Written notice of the time, place and purpose of any special meeting of the board of directors shall be delivered to each director not less than five days previous thereto, either personally or by mail, or at the direction of the Secretary, or upon a default in the 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 such 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 of 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 conveniently may be. 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 or appointed 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 ten percentum of the members, may request the removal of such 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 of 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 or the board of directors, shall preside at all the meetings of the members and the board of directors;



(b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board of directors or the members, and may 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 bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

### **Section 5. Vice-President**

In the absence of the President or in the event of his inability or refusal to act, the Vice President shall, perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. 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 be responsible for:

(a) keeping the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose;

(b) Seeing that all notices are duly given in accordance with these bylaws or as required by law;

(c) The safekeeping of the corporate records and of the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof and to all documents the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provision of these bylaws;

(d) Keeping a register of the names and post office addresses of all members

(e) Signing with the President, certificates of membership , the issue of which shall have been authorized by the board of directors or the members;

(f) Keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, forwarding a copy of the bylaws and of all amendments thereto to any member upon request; and

(g) The general performance of 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 be responsible for:

(a) Custody of all funds and securities of the Cooperative;

(b) For the receipt of 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 bylaws; and

(c) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him 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 officer or agent of the Cooperative charged with the 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 provisions of these bylaws with respect to compensation for directors and close relatives of directors.

### **Section 11. Reports**

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

## **Article VII**

### *Disposition of Revenues and Receipts*

#### **Section 1. Patronage Capital**

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 the excess of operating costs and expenses to the patrons by credits to a capital account for each 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, and within a reasonable time after the close of the fiscal year, the Cooperative shall notify (in such manner as the Board of Directors may determine) the patrons of the method of procedure by which the patron may determine the amount so credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received during and after the calendar year 1964, 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 percentage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights to 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 patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereinafter furnished as capital. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction for the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

In the event 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 the bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of directors, acting under policies of general application, and the legal representatives of such patron's estates shall agree upon. In addition, the Board of Directors may annually retire, on a similar discounted present value basis, the capital credit accounts of members who have disconnected from the service lines of the Cooperative, with unpaid accounts of any type, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion (power supply portion or other portion), of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative. Such rule shall

(a) establish a method for determining the power supply portion or other portion of capital credited to each patron for each applicable fiscal year,

(b) provide for separate identification on the Cooperative's books of the supply portion or other portion of capital credited to the Cooperative's patrons,

(c) provide for appropriate notification to patrons with respect to the power supply portion or other portion of capital credited to their accounts and

(d) preclude a general retirement to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

## **Section 2. Unclaimed Money**

Notwithstanding any provisions herein contained to the contrary, any member, former member or customer who fails to claim any capital credits, patronage refunds, utility deposits, membership fees or account balances within two 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 years after availability of such money, the cooperative shall give at least sixty 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 state the web page and/or other sources(s) that can be accessed to view the owner's name and approximate amount of owner's interest and that if not duly claimed within sixty (60) days of said notice being printed in the newspaper, the unclaimed money shall be deemed assigned and donated to the cooperative. If no provable claim shall have been filed within sixty 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 publishing 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 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 a 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 provision 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 therefrom, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization as permitted by law.

The board of directors may, upon the affirmative vote of a majority of the members of the cooperative present at the meeting and voting on the issue, transfer, convey or otherwise dispose of all or a substantial portion of its property to another rural electric cooperative to complete or effect a consolidation or merger of two or more cooperatives.

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:

(1) 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 Lafayette County, Missouri. If such judge refuses to make such designation, they shall be made by the Board of Directors.

(2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposals 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 cooperatives, 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 cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period with which proposals are to be submitted shall be stated in the written notice given to them.

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

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

(5) The provisions of this third 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 the bylaws, the board of directors may authorize any officer or officers, agent or agents to enter into any contracts 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 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.

### **Section 4. Fiscal Year**

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

## **Article XI** *Miscellaneous*

### **Section 1. Membership in Other Organizations**

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, provided, however, the Cooperative may upon the authorization of the board of directors purchase stock in or become a member of any corporation or organization 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 RUS, or another corporation for the purpose of acquiring electric facilities.

### **Section 2. Waiver of Notice**

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

### **Section 3. 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 to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board of directors shall after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

#### **Section 5. Indemnification of Directors, Officers & Employees**

The Cooperative, shall indemnify to the full extent permitted by law, including all costs, expenses and liabilities incurred by any person made or threatened to be made a party to an action, suit or proceedings (whether civil, criminal, administrative or investigative,) by reason of the fact that he, is testator, 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 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 reasonable requirements established by the Cooperative as a condition of such service.

### **Article XII** *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.

8-2-24

*This institution is an equal opportunity provider and employer.*