

**ARTICLES
OF
INCORPORATION
AND BYLAWS**

As amended

March 25, 2017

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**Minnesota Valley
Cooperative
Light and Power
Association
Montevideo, Minnesota**

**AMENDED ARTICLES OF
INCORPORATION**
of the
**MINNESOTA VALLEY
COOPERATIVE
LIGHT AND POWER
ASSOCIATION**
of
MONTEVIDEO, MINNESOTA

MARCH 25, 2017

ARTICLE I

NAME, PURPOSE AND NATURE OF BUSINESS

Section 1. The name of this cooperative association shall be Minnesota Valley Cooperative Light and Power Association.

Section 2. The purpose of this association shall be to generate, transmit, distribute, furnish and dispose of in any other manner, electrical energy and to engage in any and all activities connected with the same; to purchase and sell at wholesale or retail, for cash or on credit, manufacture, distribute and otherwise acquire and dispose of or work upon electrical fixtures, appliances, equipment and supplies and general merchandise and other personal property of every kind and nature; and in connection with any of the foregoing to furnish services to patrons, all of which shall be upon the cooperative plan.

Section 3. The general nature of its business shall be to acquire electrical energy by purchase, generating, or otherwise, and to furnish the same to patrons or to transmit the same for others in connection therewith, to purchase merchandise and sell the same to patrons, and to furnish patrons such services as may be deemed advantageous to the promotion of the association's general business.

Section 4. For such purposes it shall have the power and authority to own, construct, purchase, sell, lease, mortgage, or otherwise acquire, dispose of or encumber electric transmission and distribution lines, plants, or other facilities, real estate, or any interest therein, personal property of every kind and nature, copyrights, inventions and patents; to en-

ter into contracts, borrow money and issue notes, bonds, or other evidences of indebtedness, and to do any and all other acts, the same as any natural person, which the association may deem necessary or convenient to aid in carrying out its business aforesaid, or which the association may be authorized to do, provided, however, that the business shall at all times be conducted on the cooperative plan as authorized by the laws of the State of Minnesota.

Section 5. In addition to the foregoing powers and authority, the association shall have the right to join in an association with other cooperatives to carry into effect the foregoing purposes.

ARTICLE II DURATION

The corporate period of this association shall be perpetual.

ARTICLE III CAPITAL STOCK

Section 1. The amount of capital stock of this association shall be Ten (\$10.00) Dollars, and shall be divided into Ten Thousands (10,000) shares of the par value of one-tenth of one cent (1/10¢) each. A share of capital stock shall be issued to each party that applies for membership in the association and agrees to take electric service from the association.

Section 2. No person shall own more than one share of stock in the association. Corporations, trusts and partnerships may own stock and natural persons may own stock individually and as joint tenants. No stock shall be held by persons as tenants in common.

Section 3. Shares of stock shall not be transferable except with the approval and consent of the board of directors of the association. The stock of the association may be uncertificated.

Section 4. No interest or dividends shall be paid upon any of the capital stock issued by this association or on any capital furnished by its patrons.

ARTICLE IV VOTING

Stockholders shall have only one vote in the affairs of the association. Voting by proxy shall be prohibited.

ARTICLE V

CONDUCT OF BUSINESS

Section 1. The principal place of business shall be in the City of Montevideo, Chippewa County, Minnesota.

Section 2. The fiscal year of this association shall begin on the first day of January and close on the last day of December of each year.

Section 3. The annual meeting shall be held at the principal place of business of the association, or at any other place in the geographical area served by it, as may be determined by the board of directors. The annual meeting shall be held during the months of March or April of each year, the exact date, place and hour to be determined by the board of directors.

ARTICLE VI

DIRECTORS

Section 1. The government of this association and the management of its affairs shall be vested in a board of seven (7) directors. All members of the board of directors shall be stockholders of the association; except that subject to limits, if any, of Minnesota law a corporate shareholder in the association may designate a natural person who shall be eligible for election to the board of directors and a partnership shareholder in the association may designate a partner who shall be eligible for election to the board of directors. Members of the board of directors shall be elected by ballot by the stockholders for such terms as the bylaws may prescribe at the annual meetings of the stockholders.

Section 2. The bylaws of this association shall provide for the grouping of stockholders in districts and for the nomination and election of directors by the stockholders of such districts.

Section 3. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with these articles of incorporation or the bylaws of this association or the laws of the State of Minnesota, as it may deem advisable for the management, administration and regulation of business and affairs of this association.

Section 4. The names and address of the present board of directors who shall hold office until their successors are elected and qualified are as follows:

Darryl Bursack	Canby, MN
Don Fernholz	Madison, MN
Gary Groothuis	Montevideo, MN
Steve Norman	Montevideo, MN

Wayne Peltier
Mark Peterson
Tim Velde

Cottonwood, MN
Madison, MN
Granite Falls, MN

Section 5. Directors shall not be personally liable to the association or its shareholders or members for monetary damages for breach of fiduciary duty as a director except for:

- a. a breach of the director's duty of loyalty to the association or its members;
- b. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c. a transaction from which the director derives an improper personal benefit; or
- d. an act or omission occurring prior to the effective date of the adoption of this section.

ARTICLE VII OFFICERS

Section 1. The officers of this association shall be a president, vice-president, a secretary and a treasurer, who shall be elected annually by and from the directors; the offices of the secretary and treasurer may be combined and when so combined shall be termed "secretary-treasurer".

Section 2. The names of the present officers of this association who shall hold office until their successors have been elected and qualified are as follows:

Steve Norman	President
Mark Peterson	Vice-President
Tim Velde	Secretary
Gary Groothuis	Treasurer

Section 3. From time to time the board of directors in its discretion may elect an assistant secretary and treasurer. These subordinate officers need not be members of the board of directors.

ARTICLE VIII NON-PROFIT ASSOCIATION

Section 1. This association shall be operated without profit to itself, shall be operated for the mutual benefit of its patrons and shall be conducted so that the patrons shall contribute necessary capital. The association shall retain from receipts: (1) the amount necessary to pay expenses including adequate provisions for depreciation and doubtful accounts; (2) such amounts as are necessary to provide capital reserves. All reserves or amounts which are retained shall

be allocated and credited on the books of the association as capital to the patrons, (members and non-members, if any) on a patronage basis. For purposes of determining capital credits, the board of directors may designate different classes of patronage.

Section 2. Whenever in the discretion of the board of directors the credits are found to be in excess of the reserve required by law and also in excess of the amount necessary for the sound financial operation of the association, such excess may be paid to patrons in accordance with such method and upon such basis, priority and order of retirement as may be established from time to time by policies of general application regarding the allocation and retirement of patronage capital as adopted by the board of directors.

Section 3. Notwithstanding any of the provisions of Section 2 of this Article, the board of directors by adopting rules of general application may provide for the early retirement of capital credits held in the name of a deceased natural person. The board of directors may provide for the separate retirement of that portion of the capital credited to the accounts of patrons which corresponds to capital credited to the account of the association by an organization furnishing electric service to the association. With respect to credits arising from electric service purchases of the association from another organization, such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the association's books of the power supply portion of capital credited to the association's patrons, (c) provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Section 4. The association shall have a lien on capital credits to secure any obligation of the patron to the association, may offset any past due obligation against the present value of capital credits, and shall not pay cash to such patron with respect to the capital credit as long as the obligation is outstanding.

Section 5. Capital credited to the account of each patron shall be assignable only on the books of the association pursuant to written instruction from the assignor and only to successors in interest of successors in occupancy in all or a part of such patron's premises served by the association unless the board, acting under policies of general application, shall determine otherwise.

ARTICLE IX

FUNDAMENTAL TRANSACTIONS

Section 1. In the event of dissolution or liquidation of the association, after all outstanding indebtedness of the association 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.

Section 2. The association may at any meeting of its board of directors sell, mortgage, lease or exchange all of its property, rights, privileges and franchises upon such terms and conditions as the board of directors deem expedient, and for the best interest of the association, when and as authorized by the affirmative vote of two-thirds (2/3) of all the stockholders of the association. Any such action by the stockholders shall be taken at a meeting called for that purpose and shall require a vote of two-thirds (2/3) of all the members of the cooperative who are then eligible to vote. Only the shareholders present at the meeting shall be entitled to vote on this question and voting by mail shall not be permitted. Such approval may also be authorized by the written consent of two-thirds (2/3) of all the stockholders of the association. The provisions of this Section do not apply to any action or transaction provided for in Section 3 of this Article.

Section 3. Notwithstanding any of the provisions of Section 2 of this Article, the board of directors shall have without the consent or vote of the stockholders of the association, full power and authority to borrow money from the United States of America, or any other agency of the United States, or any other lender approved by the Rural Electrification Administration, and to authorize the execution and delivery of bonds, notes or other evidences of indebtedness, secured or unsecured to evidence the indebtedness created by such loans, and to secure such bonds, notes or other evidence of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or the pledge of or other lien, on all of the property, assets, rights, privileges and permits of the association wherever situated, acquired or to be acquired upon such terms and conditions as the board of directors shall determine.

ARTICLE X

AMENDMENTS

The association reserves the right to amend these articles in whole or in part as now or hereinafter provided by law.

END

AMENDED BYLAWS
of the
MINNESOTA VALLEY
COOPERATIVE
LIGHT AND POWER
ASSOCIATION
of
MONTEVIDEO, MINNESOTA
ARTICLE 1
MEETINGS

Section 1. (Annual Meetings) The annual meetings of the members of this association shall be held as provided in the articles of incorporation.

Section 2. (Special Meetings) Special Meetings of the members may be called by a majority vote of the directors or upon written petition signed by at least twenty per centum (20%) of the members.

Section 3. (Notice of Meetings)

a. (Annual Meetings) The secretary of the association shall give notice of an annual meeting, by publication in a legal newspaper published in the county of the principal place of business of the association, or by publication in a magazine, periodical or house organ regularly published by or on behalf of the association and circulated generally among its members, at least two weeks previous to the date of the meeting, or by mailing, notice thereof to each and every member personally, or, in case of an association, to the secretary thereof, at his last known post office address, not less than 15 days previous to the date of the meeting. Such notice shall give the time and place of the meeting and the names of the nominees for directors and the districts from which they have been nominated.

b. (Special Meetings) It shall be the duty of the president of the association to cause notice of the special meeting to be given as provided for annual meetings. The notice shall state the time, place and purpose of the special meeting. If the meeting is being called pursuant to a petition of the members, the notice shall be issued within ten days from and after the date of the presentation of the petition and the meeting shall be held within 30 days from and after the date of the presentation of the petition.

c. (Record – Lack of Notice) Upon the mailing of any notice of a regular or special meeting of the stockhold-

ers of the association, the secretary of the association shall execute a certificate, setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within the time and in the manner prescribed by law. The certificate shall be made a part of the record of the meeting. The failure of any member to receive notice of any meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting.

Section 4. (Quorum) At any annual or special meeting of the stockholders, a quorum necessary for the transaction of business shall be fifty (50) members. The attendance of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by a registration of the members present at such meeting, which registration shall be verified by the president and secretary and shall be reported in the minutes of such meeting. Mail votes shall not be counted to determine a quorum except with respect to a question submitted to a vote by mail.

Section 5. (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:

1. Establishment of quorum.
2. Reading of the notice of the meeting, together with proof of the due publication or mailing thereof or the waiver or waivers of notice of the meeting.
3. Presentation and reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 6. (Directors Meetings) Each member of the board of directors shall be duly notified of all board meetings. A majority of the directors shall constitute a quorum at all meetings of the board and a majority vote of the members present shall decide all questions. The presence of a director at any meeting shall be deemed to be a waiver by him/her of any notice of such meeting.

Section 7. (Regular Meetings of the Board of Directors) Regular meetings of the board of directors shall be held monthly at a time and place fixed by the board.

Section 8. (Special Directors Meetings) Special meetings of the board of directors may be called by the president or any two (2) directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

Section 9. (Rules) Except as otherwise provided by law or the articles and bylaws of the association, the meetings shall be conducted in accordance with Robert's Rules of Order as the same is from time to time revised

ARTICLE II VOTING

Section 1. (Majority Vote Controlling) At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of the majority of the members present in person or represented by mail vote when voting by mail is authorized, except as otherwise provided by law, the articles of incorporation or these bylaws.

Section 2. (Voting by Mail) Any member who is absent from any meeting of the members may vote by mail upon any motion, resolution or amendment to be acted upon at any such meeting by ballot, which the board of directors may in its discretion submit to the shareholders for vote by them. The ballot shall be in the form prescribed by the board of directors and shall contain:

- (a) the exact text of the proposed motion, resolution or amendment to be acted upon at such meeting;
- (b) the date of the meeting; and
- (c) space opposite the text of such motion, resolution or amendment in which such member may indicate his/her affirmative or negative vote thereon.

A member shall express his/her choice by making an "X" in the appropriate space upon such ballot. Such ballot shall be signed by the member and when received by the association shall be accepted and counted as the vote of such absent member. No voting for directors by mail shall be permitted.

Section 3. (Voting List) Prior to any meeting of the members, the secretary shall make a complete list, arranged in alphabetical order, of the members by districts entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 4. (Credentials Committee) The president may in his discretion appoint a credentials committee

composed of five members prior to any meeting for the purpose of reviewing the voting lists and determining any dispute regarding voting rights which may arise before or during the meeting. Such determinations are subject to the review by the association's membership at the meeting.

Section 5. (Voting by Spouse of Member)

Whenever a vote of members of the association is required or provided for on any matter, including a petition, the spouse of the member may vote on behalf of the member unless the member has indicated otherwise or has registered at the meeting.

Section 6. (Ties) Tie voting for directors shall be broken by the flip of a coin.

**ARTICLE III
DIRECTORS**

Section 1. (Qualification and Tenure of Directors) All directors shall be members of the association and residents and consuming members in the district, as defined in Section 3, from which they are elected. All directors shall be elected for staggered three-year terms unless they are being elected to complete an unexpired term of a former director. Staggered elections shall be held so that directors of the following districts are elected at the annual meetings in the following years and each third year thereafter:

Districts 1 and 3	2018
Districts 2, 4 and 6	2019
Districts 5 and 7	2020

Section 2. (Persons Eligible) No member shall be eligible to become or remain a director who is not a bona fide resident and consuming member in the area served by the association, who is an employee of the association, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the association or a business primarily engaged in selling electrical appliances, fixtures or supplies to the members; provided, however, that nothing in this section contained 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.

Section 3. (Districts) The seven (7) directors shall be nominated and elected so that one (1) director shall represent each of the following districts:

DISTRICT 1 shall consist of that part of Lac qui Parle County which lies north of a line one mile north of U.S. Highway 212 and that portion of Big Stone County served by the association.

DISTRICT 2 shall consist of that part of Chippewa County which lies north of County Road No. 13 and that portion of Swift County served by this association.

DISTRICT 3 shall consist of that part of Lac qui Parle County lying south of a line one mile north of U.S. Highway 212.

DISTRICT 4 shall consist of that part of Chippewa County lying south of County Road No. 13 and that portion of Renville County served by this association.

DISTRICT 5 shall consist of that part of Yellow Medicine County lying west of the line drawn on the east borders of Townships of Friendship, Lisbon and Normania.

DISTRICT 6 shall consist of that part of Yellow Medicine County lying east of the east borders of Townships of Friendship, Lisbon and Normania and that portion of Redwood County served by this association.

DISTRICT 7 shall consist of that portion of Lincoln and Lyon Counties served by this association.

Section 4. (Nominations and Elections by Districts) Each director shall be nominated from his/her district at a district meeting of the members from that district or by petition as set forth in section 5 hereof and shall be elected at the annual meeting by the members present from the district from which he/she was nominated.

Section 5. (Nomination Procedure) Whenever a director is to be elected from a district at the annual meeting, it shall be the duty of the board of directors to call a district meeting of the members not less than forty-five (45) days and not more than sixty (60) days before the annual meeting for the purpose of nominating one (1) or more candidates for director from that district. Notice of the time and place of each district meeting shall be given by a fourteen (14) day notice published in a legal newspaper in the district or a fifteen (15) day notice mailed to all members in the district.

Section 5. (B) (Petition Procedure) As an alternative to the Nomination Procedure set forth in Section 5. (A), members from the district from which a director is to be elected may submit a written petition for nomination of a director from the district. Any such written petition shall be signed by not less than fifteen (15) bonafide members of the district in good standing with the association and filed with the central office of the assembly no later than thirty (30) days prior to the date of the annual meeting.

Section 5. (C) (Exclusivity Procedure) The procedures set forth in Section 5. (A) and 5. (B) shall be the exclusive means for the nomination of directors and nominations from the floor at the annual meeting shall not be permitted.

Section 6. (Conduct of District Meeting) Subject to the provisions of these bylaws, the members at the district meeting shall make their own rules of procedure relating to the conduct of such meetings and the nomination of the candidates. The names of all nominees shall be reported to the association's principal office immediately after the holding of a district meeting.

Section 7. (Quorum for Nomination and Election) Those present at a district meeting shall constitute a quorum and the members present at an annual meeting from the district from which a director is to be elected shall constitute a quorum for the election of a director from such district.

Section 8. (Vacancies) Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the board of directors shall be filled by appointment by a majority vote of the remaining directors, provided that the persons so elected by the board to fill such vacancy shall be a resident of the same district represented by the person whose place he/she assumes on the board, and any person elected to fill such vacancy shall hold office until the next annual meeting of the stockholders or until his/her successor shall have been elected and shall have qualified. The term of the director elected to fill a vacancy shall be in accordance with the schedule for staggering set forth in Section 1 of this Article.

Section 9. (Removal) The members of the district from which a director is elected shall have the power at any meeting or special meeting to remove any director for cause complying with the following procedure: Any member may bring charges against a director by filing them in writing with the secretary, at least 20 days prior to the date of the meeting, together with a petition signed by at least fifteen (15) percent of the members of the district from which the director has been elected, requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the members. The director against whom such charges have been brought shall be informed in writing at least twenty (20) days before the meeting of the charges and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against him/her shall have the same opportunity. Only those eligible to vote for a director from the district from which a director is being

removed shall be eligible to vote on the question of removal. The vacancy created by any such removal shall be filled for the unexpired term at the same meeting the director is removed by the members from that district who are present at such meeting.

Section 10. (Compensation) Directors as such shall not receive any salary for their services. However, the board of directors may by resolution specify that a fixed sum and expenses be paid to directors for attendance at each meeting of the board of directors and for attending other activities and events pertaining to the business of the association. Also, in addition to the fixed sum and expenses for attendance at meetings, the board of directors may provide for indemnification of directors by the association for liabilities and expenses incurred while serving as directors and for insurance to pay such to the extent that such indemnification and insurance is authorized by law and may also provide for the payment by the association of insurance premiums for group hospitalization insurance, health and accident insurance, life insurance and other group insurance for the directors. No director shall receive compensation for serving the association in any other capacity, nor shall any close relative of director receive compensation for serving the association, unless such compensation be approved by the unanimous vote by the board of directors.

ARTICLE IV

DUTIES AND POWER OF DIRECTORS

Section 1. (Management of Business) The board of directors shall direct the business and the affairs of the association. They shall make all necessary rules and regulations that are not inconsistent with law, and with the articles of incorporation and bylaws. Such rules and regulations shall be established for the operation of the business, the guidance of the officers, the management of the association and for any special agent of the association. The board of directors shall have power to employ and dismiss a manager, and to determine his duties and fix his wages.

Section 2. (Bonds of Officers) The board of directors shall require the treasurer or any other officer charged with responsibility for the custody of any funds or property of the association, to give a 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 to give bond in such amount and with such surety as it shall determine.

Section 3. (Accounting System and Reports) The board of directors shall cause to be established

and maintained a complete accounting system which among other things subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. The board of directors shall also after the close of the fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the association as of the end of such fiscal year. Reports of such audit shall be submitted to the members at the following annual meeting.

Section 4. (Seal) The board of directors shall provide a seal for the association in such form as it may prescribe.

Section 5. (Power to Limit Electric Energy) The directors may limit the amount of electric energy to be furnished to any patron.

ARTICLE V OFFICERS

Section 1. (Officers of Association) The officers of the association shall be those specified in the articles of incorporation and such other subordinate officers as may be prescribed by the board of directors.

Section 2. (Elections and Term of Office) Excepting subordinate officers, the officers 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 officer shall hold office until the first meeting of the board of directors following the next annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified.

Section 3. (Removal) 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 association will be served thereby.

Section 4. (Vacancies) A vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

Section 5. (President) The president:

- (a) shall be the principal executive officer of the association and shall preside at all meetings of the members and of the board of directors;
- (b) shall sign, with the Secretary, stock certificates of the association, and shall sign any deeds, mortgages, 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 association, or shall be required by law to be otherwise signed or executed; and

- (c) in general shall 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 6. (Vice-President) In the absence of the president or in the event of his/her inability or refusal to act, the vice-president shall perform the duties of the president and when so acting, shall have all the powers of and be subject to all restrictions upon the president and shall perform such other duties as from time to time may be assigned to him/her by the board of directors.

Section 7. (Secretary) The secretary shall:

- (a) keep the minutes of the meeting of the members 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 association and see that the seal of the association is affixed to all stock certificates prior to the issue thereof and to all documents, the execution of which on behalf of the association under its seal is duly authorized in accordance with provisions of these bylaws;
- (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member;
- (e) sign with the president stock certificate of the association, the issue of which shall have been authorized by resolution of the board of directors;
- (f) have general charge of the books of the association in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the association containing all amendments thereto, which copy shall always be open to the inspection of any members, and at the expense of the association to forward a copy of the bylaws and of all amendments thereto to each member; and
- (h) in general perform all duties incident to the office of the secretary and such other duties as from time

to time may be assigned to him/her by the board of directors.

The board of directors may delegate to others such duties of the Secretary as it may deem advisable.

Section 8. (Treasurer) The treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the association;
- (b) receive and give receipts for moneys due and payable to the association from any source whatsoever, and deposits all such moneys in the name of the association in such banks as shall be selected by the board of directors.
- (c) in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the board of directors.

Section 9. (Reports) The officers shall submit at each annual meeting of the members reports covering the business of the association for the previous fiscal year and showing the condition of the association at the close of such fiscal year.

The board of directors may delegate to others such duties of the treasurer as it may deem advisable.

ARTICLE VI MEMBERSHIP

Section 1. (Use of term "Member") The term "member" as used in these bylaws shall have the same meaning as the term "stockholder" as used in the act under which the association is incorporated.

Section 2. (Qualifications and Obligations) Any person, including a partnership, corporation or trust, may become a member of the association by: (a) purchasing a share of the capital stock of the association; and (b) agreeing to comply with and be bound by the articles of incorporation of the association and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors; provided, however, that no person shall become a member until approved by the board of directors.

Section 3. (Cancellation of Stock)

- (a) any member who knowingly, intentionally, or repeatedly violates any of the provisions of these bylaws, articles of incorporation, or policies established by the board of directors shall be required by

the board of directors to cancel his/her stock in the association. Stock so cancelled shall be retired and cancelled by the board of directors. Any member whose stock has been cancelled may be reinstated as a member by a vote of the board. The action of the board of directors with respect to any reinstatement shall be final.

- (b) the membership of a member who for a period of six (6) months after service is available to him/her has not purchased electric energy from the association or of a member who has ceased for twelve (12) months to purchase energy from the association, shall be cancelled by the resolution of the board of directors.

Section 4. (Non-Liability for Corporate Debts) The private property of the members shall be exempt from execution of the debts of the association and no member shall be individually responsible for any debts or liabilities of the association.

Section 5. (Partnership, Corporate, Trust and Joint Members) A partnership or corporation may be a member of the association. When applying for membership in the association a partnership shall give the name of the firm and the names and addresses of all partners, a corporation which is a family or authorized farm corporation shall give the name of the corporation and the names and address of all shareholders residing on or actively operating the farm. Other corporations shall give the name of the corporation and the name and address of its president. Trusts shall give the name of the trust and the name and address of each trustee. Members who own stock as joint tenants shall give and name and address of each joint tenant. Unless firms or natural persons have notified the association in writing at least one day prior to a membership meeting of the association that a designated partner, shareholder, other representative of the corporation, or joint tenant is entitled to vote at the meeting, the first partner or qualified shareholder of the member, or the first joint tenant to register at the meeting shall be deemed appointed to represent the firm or other persons and shall be entitled to vote, provided that in the case of partnerships and family or authorized farm corporations, only partners or shareholders whose names were furnished to the association may register.

Section 6. (Easements) As a condition of membership in the association, present and future members shall without charge grant the association easements for distribution lines. The board of directors shall establish reasonable terms and conditions for such easements.

ARTICLE VII

STOCK

Section 1. (Issuance of Stock) Shares of stock shall be issued to members as required by the association's Articles of Incorporation upon application and approval of the board of directors. The association shall maintain records of all shareholders. All persons becoming members after April 1, 1989, and all stock issued after April 1, 1989, shall be issued as uncertificated shares with a par value of 1/10 of a cent per share. Within a reasonable time after the issuance or transfer of an uncertificated share, the association shall send to the stockholder a written statement containing the following information: the name of the association and the laws under which it is incorporated, the shareholder's name, the shareholder's ownership of one share of stock, that upon request the association will supply the shareholder with information regarding the shareholder's capital accounts, that stock is reacquired by the association at par value when a person ceases to be a member, and that stock cannot be bought or sold except with the approval of the board of directors of the association.

Section 2. (Retirement of Old Stock) The certificated \$3.00 per share par value stock that was outstanding prior to April 1, 1989, shall be surrendered to the association and exchanged for the uncertificated shares with one-tenth per cent per share par value. All persons holding certificated stock shall be paid \$3.00. Any certificates that are not returned shall be cancelled on the books of the association upon payment of the \$3.00 to the record holder and shall be considered no longer outstanding.

Section 3. (Transfer of Share of Stock) Transfers of shares of stock shall be made only on the books of the association by the registered holder thereof or by his/her attorney thereunto authorized by power or attorney duly executed and filed with the secretary. No shares of stock shall be sold or transferred without the consent and approval of the board of directors. The association shall have the right and privilege of acquiring the shares of stock of any person who ceases to be a member for the price paid by that member for such share. Any share of stock so acquired by the board of directors for the association may be held as treasury shares or may be retired and cancelled as may be determined by the board of directors.

Section 4. (Recordholder Deemed Owner) The person in whose name shares of stock stand on the books of the association shall be deemed the owner thereof for all purposes as regards the association.

Section 5. (Closing of Transfer of Books) No new stocks shall be issued and no transfers of stock shall be made for a period of fifteen (15) days immediately prior to any annual or special meeting of the members.

ARTICLE VIII

CAPITAL CONTRIBUTIONS

Section 1. (Accounting) The association's records shall be kept in such a manner, by years, that the amount of each patron's credit may be ascertained and credited to the account of the patron as capital credit. Whenever, in any given year, there is an operating loss, such loss shall be charged against patron's capital credit accounts on the basis of the business done with the association by each patron during the period of the loss.

Section 2. (Notification of Capital Contribution) The association shall within a reasonable time after the close of the fiscal year notify each patron of the amount credited to his/her account. Funds represented by patron's credit are held by the association with the understanding that they are furnished by the patrons, members and non-members alike, as capital contribution to the association.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 1. (Contractual Agreement) By dealing with this association, the patrons acknowledge that the terms and provisions of the articles of incorporation and by-laws shall constitute a contract between the association and each patron, and both the association and the patrons are bound by such contract as fully as though each patron had individually signed a separate contract. Every member of the association shall agree in writing as part of his/her application for membership to be bound by the articles of incorporation and bylaws of the association and the policies adopted by the board of directors. The provisions of this Section shall be called to the attention of patrons of the association by sending a copy thereof to each patron, or by delivering or posting a copy in a conspicuous place in the association's office.

Section 2. (Change of Rates) Written notice shall be given to the administrator of the Rural Electric Administration not less than ninety (90) days prior to the date upon which any proposed change in rates charged by the association for electric energy becomes effective.

Section 3. (Waiver of Notice) Any member, director or officer may waive in writing any notice of meeting required to be given by law, the articles of incorporation of these bylaws.

Section 4. (Membership in Other Organizations) The association may become a member of such other organizations as may be deemed by the board of directors to be to the best interest of the association.

Section 5. (Official Newspaper) The board of directors is authorized to provide an official newspaper for the members of the association and to pay for the same, and the expense thereof shall be an expense of doing business.

ARTICLE X AMENDMENTS

These bylaws may be amended in whole or in part at any regular or special meeting of the stockholders in the same manner as provided for by law.

END

