

# **TRI-COUNTY ELECTRIC COOPERATIVE, INC.**

## **BYLAWS**

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### **ARTICLE I**

#### **Membership**

##### **SECTION 1. Requirement for Membership.**

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Tri-County Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he or it has first:

(a) made a written application for membership therein;

(b) agreed to purchase from the Cooperative electric energy as hereinafter specified; and

(c) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board.

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. Provided, however, that a person, firm, association, corporation, or body politic or subdivision thereof may receive electrical service from the Cooperative without becoming a member thereof, provided that a written application be made for such service, that the applicant agree to purchase from the Cooperative all electric energy from the Cooperative as hereinafter specified, and that the applicant agree 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 further provided that in no case shall the number of non-members receiving service from the Cooperative exceed five percent (5%) of the then membership of the Cooperative, and that each such application have the prior specific approval of the Board of Directors of the Cooperative.

##### **SECTION 2. Membership Certificates.**

No membership certificates shall be issued, and that all persons applying for membership shall execute a membership application and receive a receipt for any fees and refundable deposits.

##### **SECTION 3. Joint Membership.**

Members may apply for joint membership and, subject to compliance with the Bylaws and rules and regulations of the Cooperative, may be accepted for membership. The term "member" as used in these bylaws shall refer to individual members and to members

holding a joint membership, but any joint membership shall only be entitled to one vote. The presence at a meeting of either or both members shall be regarded as the presence of one member. The vote of either or both jointly shall constitute one joint vote. A waiver of notice signed by either or both shall constitute a joint waiver. Notice to either of the joint members shall constitute notice to both. Expulsion of either joint member shall terminate the joint membership, and withdrawal of either member shall terminate the joint membership. Either member, but not both of them, may be elected or appointed as an officer or member of the Board, provided that person meets the qualifications for office.

#### **SECTION 4. Conversion of Membership.**

A membership may be converted to a joint membership upon written request of the holder and agreement between the holder and proposed joint member, to comply with the Articles of Incorporation, Bylaws, and rules and regulations of the Cooperative.

#### **SECTION 5. Purchase of Electric Energy.**

Each member shall, as soon as electric energy is available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board. Production or use of electric energy on said premises, regardless of the source thereof, by means of facilities, which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulation as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital 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 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. Payment for electric energy shall include, for each member, a subscription to the 'Hi-Lites' or its successor publication, published by the cooperative and/or to the Illinois Country Living or its successor publication, published by the Association of Illinois Electric Cooperatives.

#### **SECTION 6. Termination of Membership.**

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, 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, 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 or by vote of the members at any annual 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, may be cancelled by resolution of the Board.

(b) Upon the withdrawal, death, cessation of existence, or expulsion of a member, or when a member ceases to purchase electric energy from the Cooperative at the location designated by the Cooperative, the membership of that member shall terminate.

(c) Termination of membership in any manner shall not release a member or his estate from any debt due the Cooperative.

(d) Any such withdrawal, death, cessation, expulsion, or cessation of purchase of electric energy shall not affect the exclusive right of the Cooperative to serve the territory involved.

## **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 among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of 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 member 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 each year at such date, time, and place within the service area served by the Cooperative as selected by the Board and which shall be designated in the notice of the meeting, all for the purpose of electing Board members, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparation 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, or upon a written request signed by any three board members, by the President, or by ten percent (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to

cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

### **SECTION 3. Notice of Member's Meetings.**

Written or printed notice stating the place, date, and hour of the meeting and, in the case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten 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 the member's 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.**

One hundred fifty members, present in person shall constitute a quorum. 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. The minutes of each meeting shall contain a list of the members present in person.

### **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.

Any person who is acting as an Executor, Administrator, Guardian, Trustee, or other fiduciary, or who is acting as a duly authorized representative or agent of a corporation, association, church, or other entity may vote the interest of that entity only after having provided to the secretary or the designee of the secretary appropriate proof of the authority of that person to act, prior to any vote.

### **SECTION 6. Proxies.**

Members of the Cooperative may vote in person. No member may vote by proxy.

### **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. Report on the number of members present in person in order to determine the existence of a quorum.
2. 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.

3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers and committees.
5. Election of board members.
6. Unfinished business.
7. New business.
8. Adjournment.

## **ARTICLE IV**

### **Board Members**

#### **SECTION 1. General Powers.**

The business and affairs of the Cooperative shall be managed by the Board of nine members which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

#### **SECTION 2. Election and Tenure of Office.**

The persons named as board members in the Articles of Incorporation shall compose the Board until the first annual meeting or until their successors shall have been elected and shall have qualified. At the annual meeting of the members in 1948, nine board members shall be elected by ballot, by and from the members, three of which board members shall serve for a term of one year, three for a term of two years, and three for a term of three years; the board members shall, at their first meeting subsequent to the annual meeting of the members, by lot determine the names of the three board members who shall serve for the term of one year, those who shall serve for the term of two years, and those who shall serve for the term of three years; thereafter at each annual meeting of the members three board members shall be elected by ballot, by and from the members, to serve for a term of three years or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of board members. No member shall be eligible to become or remain a board member or to hold any position of trust in the Cooperative who is not a bona fide resident in the area served by the Cooperative or who is in business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixture or supplies to the members of the Cooperative. When a membership is held jointly by a husband and wife either one, but not both, may be elected as a board member, provided, however, that neither one shall be eligible to become or remain a board member or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from office. Nothing in this section contained shall in any manner whatsoever affect the validity of any action taken at any meeting of the board members.

The territory of the Cooperative shall be divided by the Board of Directors into three separate districts, each of which shall contain one of the primary counties of the

Cooperative of Jefferson, Washington, and Marion, and no more than three members of the Board shall be residents of any of such districts served by the Cooperative.

### **SECTION 3. Nominations.**

It shall be the duty of the Board to appoint, not less than sixty days nor more than ninety days before the date of a meeting of the members at which board members are to be elected, 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 may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for board members. The Secretary shall be responsible for mailing with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any 150 or more members acting together may make other nominations by petition, not less than 15 days prior to the meeting, and the Secretary shall be responsible for posting such nominations at the same place where the list of nominations made by the committee is posted, and nominations made by petition will be included on the official ballot. Later nominations by petition shall be treated as nominations from the floor. The chairman shall call for additional nominations from the floor 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 4. Removal of Board Member by Members.**

Any member may bring charges against a Board member and by filing with the Secretary of the board such charges in writing, together with a petition signed by at least 10 percent of the members of the Cooperative, may request the removal of such member. Such board member shall be notified in writing 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. The person or persons bringing the charges shall have the same opportunity. The question of removal of such board member shall be considered and voted upon at the meeting of 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 5. Vacancies.**

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

### **SECTION 6. Compensation.**

Board members shall not receive any salary for their services as such, except that members or board members of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at

meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative, in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the Board as an emergency measure.

## **ARTICLE V**

### **Meetings of Board**

#### **SECTION 1. Regular Meetings.**

A regular meeting of the Board 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 shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

#### **SECTION 2. Special meeting.**

Special meetings of the Board may be called by the President or by any three board members, 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 board members calling the meeting shall fix the time and place for the holding of the meeting.

#### **SECTION 3. Notice of Board Meeting.**

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each board member 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 board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

#### **SECTION 4. Quorum.**

A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board member of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these bylaws.

## **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 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 at the meeting of the Board 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 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 for the unexpired portion of the term.

#### **SECTION 3. Removal of Officers and Agents by the Board.**

Any officer or agent elected or appointed by the Board may be removed by the Board 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 10 percent 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 such 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 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, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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 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 of 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.

#### **SECTION 6. Secretary**

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in 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 books and records and 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 provisions 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 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, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and
- (g) in general performing 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.

#### **SECTION 7. Treasurer.**

The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies 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.

#### **SECTION 8. Manager.**

The Board may appoint a manager who may be, but 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 may from time to time vest in him/her.

#### **SECTION 9. Bonds of Officers.**

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The board in its discretion may also

require any other officer, agent or employee of the Cooperative to be bonded 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 subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of a board member.

**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 years.

**SECTION 12. Indemnification of Officers and Directors.**

Each person now or hereafter a Director or Officer of the Cooperative shall be indemnified by the Cooperative against all costs and expenses reasonably incurred or imposed upon him in connection with or resulting from any action, suit, or proceeding to which he is or may be a party by reason of his being or having been a Director or Officer of the Cooperative or by reason of his having served at its request or by its election as an Officer or Director of another corporation (whether or not a director or officer at the time such cost or expense is incurred by or imposed upon him), except in relation to matters as to which he is finally adjudged in such action, suit, or proceeding to have been guilty of willful misconduct in the performance of his duty as such Director or Officer and to such matters as shall be settled by agreement predicated upon their existence of such liability. The right to indemnification herein provided shall not be exclusive of other rights to which any such person may be entitled as a matter of law.

**ARTICLE VII  
Non-Profit Operation**

**SECTION 1. Interest or Dividends on Capital Prohibited.**

The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.**

The Cooperative's operations shall be so conducted that legal patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to insure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses resulting from operating or non-operating margins during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a

patronage basis and any amount so allocated shall be included as part of the capital credit to the accounts of patrons as herein provided. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is reflected and credited in appropriate records of the capital account of each patron, and the Cooperative shall notify the members of the manner in which they may calculate patronage capital. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. 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 first retired.

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

Notwithstanding any other provisions of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any patron, if the legal representative 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, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Capital credit allocations shall be made on the basis of patronage as follows:

- (a) Patronage furnished by customers in the residential class shall be allocated at 100% of revenues paid by such customers.
- (b) Patronage furnished by customers in the commercial class shall be allocated at 50% of revenues paid by such customers.
- (c) Patronage furnished by customers in the industrial class shall be allocated at 10% of revenues paid by such customers.

Amounts credited to capital accounts shall be determined using allocations among classes in the manner herein provided.

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 through each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this articles 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. Margins from transactions not involved in the furnishing of electric energy shall be allocated to patrons in accordance with the foregoing capital credit provisions.

### **ARTICLE VIII Disposition of Property**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all, or substantially all, of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything hereinabove contained 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 incoming therefrom, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to the National Rural Utilities Cooperative Finance Corporation, or its successor, or to any other financial institution, may be authorized in the manner provided by subsection (a) of Section 43 of the General Not for Profit Corporation Act of the State of Illinois (Ill. Rev. Stat. 1969, ch. 32, par. 163A42) or any amendment thereof, provided further that notwithstanding anything hereinabove contained the board of directors of this Cooperative, without authorization by the members of the Cooperative, shall have full power and authority to sell, lease, exchange, transfer on assumption of indebtedness or otherwise dispose of property of the Cooperative, even though it be a substantial portion thereof, to another cooperative or foreign corporation doing business in the State of Illinois pursuant to the Act under which this Cooperative is incorporated if such other cooperative or foreign corporation doing business in this state is organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or if such other corporation is organized for the purpose of providing or acquiring electric energy or providing services or facilities on a cooperative basis.

### **ARTICLE IX Seal**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Illinois."

## **ARTICLE X**

### **Financial Transactions**

#### **SECTION 1. Contracts.**

Except as otherwise provided in the Bylaws, the Board may authorize any officer or officers, 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 evidence of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned 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.

#### **SECTION 3. Deposits.**

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

#### **SECTION 4. Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of 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 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, that the Cooperative may upon the authorization of the Board, 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 or rural electrification, or with the approval of the Administrator of REA, of any other corporation for the purpose of acquiring electric facilities.

#### **SECTION 2. Waiver of Notice.**

Any member or board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in a case a member or board member shall attend a meeting for the

express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

**SECTION 3. Policies, Rules and Regulations.**

The Board shall have power to make and adopt such policies, 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 shall cause to be established and maintained a complete accounting system. The Board shall also 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 annual meeting.

**SECTION 5. 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**

**SECTION 1. Certificate of Incorporation.**

The Certificate of Incorporation of the Cooperative may be amended from time to time in the manner provided by the Statutes of the State of Illinois governing not for profit corporations, as the same may be amended from time to time.

**SECTION 2. Bylaws.**

These Bylaws may be altered, amended or repealed by the members of the Cooperative at any regular or special meeting. The notice of the meeting shall contain a copy of the proposed amendment, alteration or repeal to be considered at the meeting.