



**Indian Electric
Cooperative, Inc.**

BYLAWS

Cleveland, Oklahoma
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Bylaws
of

Indian Electric
Cooperative, Inc.

(Oklahoma 28 Pawnee)

Headquarters Office
Cleveland, Oklahoma

Amended
2022

BYLAWS
ARTICLE I
MEMBERSHIP

SECTION 1.01. **Eligibility.** Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic, (each hereinafter referred to as "person", "applicant", "him" "his", "she" or "her") shall be eligible to become a member of and, at one (1) or more premises owned, controlled or directly occupied or used by applicant, to receive electric service from Indian Electric Cooperative, Inc., (hereinafter called the "Cooperative"). No person shall hold more than one (1) membership in the Cooperative.

SECTION 1.02. **Application for Membership; Renewal of Prior Application.** Application for membership wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to comply with all of the other provisions of the Cooperative's Articles of Incorporation and Bylaws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then existing or may thereafter be adopted or amended, and which are not inconsistent with law, (the obligations embraced by such agreement being hereinafter called "membership obligations") shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction, if any) shall be refunded in the event the application is rejected by the Board of Directors as provided for in Section 1.05, or is withdrawn by the applicant prior to any expense being incurred by the Cooperative as a result of the original application. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon as provided by law on judgments in effect when such account first became overdue, compounded annually, together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative, renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03 Membership Fee; Service Security Deposit; Service Connection Deposit or Fee; Facilities Extension Deposit or Fee; Contribution in Aid of Construction. The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction, or any combination thereof, that may be required by the Cooperative) shall entitle the member to one (1) service connection. A service security deposit in such amount as shall be prescribed by the Cooperative (together with any service connection deposit or fee, facilities extension deposit or fee, or contribution in aid of construction that may be required by the Cooperative), shall be paid by the member for each additional service connection requested. Any deposit, fee or contribution required to initiate service shall be due and payable at the time such request for service is made, but may, at the option of the Cooperative, be billed to the member at the time of the first and/or subsequent monthly statement(s) for electric service.

SECTION 1.04. Husband and Wife - Joint Membership. An application for membership made by husband and/or wife, when accepted, shall be deemed a joint membership unless a separate membership is specifically requested in writing by either applicant, or if one (1) of them is already a member, the same may be converted into a joint membership by jointly executing another membership application. The words "member", "applicant", "person", "his", "her", "him", and "she", as they may be used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities, and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

- (a) the presence at a meeting of either or both shall constitute the presence of one (1) member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one (1) joint vote: PROVIDED, that if both be present in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to, or waiver of notice signed by either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership; and
- (e) either, but not both concurrently, shall be eligible to serve as a

Director of the Cooperative, but only if both meet the qualifications required therefor.

SECTION 1.05. Acceptance into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall be accepted into membership in, and become eligible to receive electric service from, the Cooperative unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause.

SECTION 1.06. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts. The Cooperative shall use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member for so long as such premises are owned, controlled, or directly occupied or used by the member, shall purchase from the Cooperative all central station electric power and energy for use on all premises to which electric service has been furnished by the Cooperative pursuant to such person's membership, unless and except to the extent that the Cooperative may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount or service availability charge that may be charged without regard to the amount of electric power and energy actually used, if any) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative's facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member also shall pay all other amounts owed to the Cooperative as and when they become due and payable. When the member has more than one (1) service connection from the Cooperative, any payment for service provided by the Cooperative shall be deemed to be allocated and credited on a pro rata basis to the member's outstanding accounts for all such service connections, when such is not inconsistent with law, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

SECTION 1.07. Excess Payments to be Credited as Member Furnished Capital. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VIII of these Bylaws.

SECTION 1.08. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to the Cooperative's Properties; Extent of the Cooperative's Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to such person's membership to become and to remain wired in accordance with the specifications of the National Electrical Safety Code, any applicable state code, any applicable regulation of a state agency having jurisdiction thereof, or local government ordinances, and of the Cooperative. Each member shall be responsible for, and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of, such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair thereof at all reasonable times. As part of the consideration of such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to the member's premises, apparatus or other electrical equipment as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point of service at which the lines of the Cooperative's electric supply system connects to the wiring system of the member, at a location to be designated by the Cooperative.

SECTION 1.09. Member to Grant Easement to the Cooperative and to Participate in the Cooperative's Load Management Programs if Required. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way, over, on and under such lands owned, leased or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service,

communications, communication systems, and/or lines of telephone and telegraph, or other signal or communication circuits whether owned by the Cooperative or otherwise, to him/her or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities or communication systems. Each member shall, upon being requested to do so by the Cooperative, participate in any program initiated by the Cooperative to enhance load management or more efficiently to utilize or conserve electric energy.

ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. **Suspension; Reinstatement.** Upon a person's failure, after the expiration of the initial time limit prescribed by the Cooperative's generally publicized applicable rules and regulations and such notice, if any, as may otherwise be required by law to pay any amounts due the Cooperative or to cease any other noncompliance with the person's membership obligations, the person's membership shall automatically be suspended; and such person shall not during such suspension be entitled to receive electric service from the Cooperative or cast a vote at any meeting of the members. Payment of all amounts due the Cooperative including any additional charges required for such reinstatement and/or cessation of any other noncompliance with the person's membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meeting of its members.

SECTION 2.02. **Termination by Expulsion; Renewal of Membership.** Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, such person may, without further notice, but only after due hearing if such is requested by such person, be expelled by the Board of Directors at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting. Members present at such meeting, if there is a quorum present, may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to at least the date of expulsion. After any finally effective expulsion of a member, the person may not again become a member except upon new application as provided in Section 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish

such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all membership obligations.

SECTION 2.03. Termination by Withdrawal or Resignation. A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the agreement of the Cooperative, resigning the person's membership in favor of a new applicant who also shall) own, control or directly occupy or use all premises being furnished electric service pursuant to such person's membership, or (b) except when the Cooperative specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate such person's membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own, control or directly to occupy or use the premises being furnished electric service pursuant to such membership.

SECTION 2.05. Effect of Termination. Upon the termination in any manner of a person's membership, such person or the person's estate, as the case may be, shall be entitled to refund of that person's membership fee (and to the person's service security deposit, if any, theretofore paid to the Cooperative), less any amounts due the Cooperative; but neither such person nor the person's estate, nor any former partner of a partnership member or such person's estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from that person's membership obligations as to entitle the person to purchase from any other person any central station electric power and energy for use at the premises to which such service has heretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06. Effect of Death, Legal Separation or Divorce upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same

manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased shall not be released from any debts or other obligations remaining due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy, control or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from debts or other obligations remaining due the Cooperative.

SECTION 2.07. **No Retroactive Membership.** Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service, shall require such person to comply with all membership requirements, and shall correct its membership records accordingly.

ARTICLE III MEETINGS OF MEMBERS

SECTION 3.01. **Annual Meeting.** The annual meeting of the members shall be held each year, on a day during one (1) of the months of May through October as fixed by resolution of the Board of Directors, at a place selected by the Board within a county served by the Cooperative, for the purpose of announcing recently elected 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 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 3.02. **Special Meetings.** Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three (3) Directors, by the President, or by ten (10%) percent or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one (1) of the counties served by the Cooperative as designated by the Board of Directors and shall be specified in the notice of the special meeting.

SECTION 3.03. **Notice of Member Meetings.** Written or printed notice of the place, day and hour of the meeting shall be delivered to each member not less than ten (10) days nor more than twenty-five (25) days prior to the date of the meeting, by any reasonable means, by or at the direction of a duly authorized representative. In the case of a special meeting the notice shall also state the purpose or purposes of the meeting and that business

transacted at any special meeting of members shall be limited to the purposes stated in the notice.

Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, the Cooperative's periodic newsletter, the Cooperative's website, Social Media, Email or member service billings. No matter requiring the affirmative vote of at least an absolute majority of all the Cooperative's members present at a legally constituted meeting of the members shall be acted upon at any meeting other than an annual meeting, unless notice of such matter shall have been contained in the notice of the meeting. 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. In case of a membership jointly owned by spouses, notice given to either spouse shall be deemed notice to both.

The attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary in writing at least forty-eight (48) hours prior to the beginning of the meeting of the member's objection.

The failure of any member to receive notice of any district, annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 3.04. Quorum. Five (5%) percent of the members present in person shall constitute a quorum at any district, annual or special meeting of the members of the Cooperative, provided that quorum requirements for voting conducted under the Annual Meeting Polling Process or the District Meeting Polling Process shall be determined in accordance with Sections 3.06 and 4.05(e) respectively. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date not less than thirty (30) days later, provided that a duly authorized representative shall deliver notice to all affected members as provided in Section 3.03 (Notice of Members' Meetings).

SECTION 3.05. Voting. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon in person, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Each member who is not in a status of suspension, as provided in Section 2.01, shall be entitled to only one (1) vote upon each matter

submitted to a vote at any meeting of the members. In case of a membership jointly owned by spouses, they shall together have only one (1) vote.

Members may vote in-person, by proxy, by mail, or by any other method as may be determined by the Board of Directors to be in accordance with (i) the best interests of the Cooperative, (ii) generally accepted practices within the electric cooperative industry, and (iii) state and federal law.

Voting by members who are not natural persons shall be allowed only upon the presentation to the Cooperative, prior to or at each member meeting, of satisfactory evidence executed by the member and authorizing the person presenting the same to vote on the member's behalf.

The failure of any member to receive a copy of any motion or resolution or ballot shall not invalidate any action which may be taken by the members.

SECTION 3.06. Annual Meeting Polling Process. The Board of Directors may, in its discretion, commit to the "polling process" described in the next sentence, any item of business requiring a vote of the membership at the Annual Meeting. When the Board of Directors has committed a matter for vote utilizing a "polling process", (i) the vote of the members shall be conducted by secret written ballot, (ii) all such ballots shall be gathered on the same date and at the same location designated by the Board of Directors for the Annual Meeting of members, and (iii) such polling process shall continue for a length of time to be determined by the Board of Directors (the "Annual Meeting Polling Process"). If a business proposition is committed to the Annual Meeting Polling Process, ballots from 5% of the members shall be required in order to constitute a "quorum" with respect to such proposition, and the vote of a majority of the ballots cast shall decide such proposition. In the event of a failure to achieve the required "quorum", a proposition committed to the Annual Meeting Polling Process shall be deemed to have failed. The Annual Meeting Polling Process shall be conducted in accordance with such other rules and regulations as may be established from time to time by the Board of Directors, in its discretion.

If specified in the meeting notice, in-person registrations shall be counted toward the required five percent (5%) of members necessary to constitute a quorum. Any vote taken at a time when less than five percent (5%) of all members are physically present shall be taken only on proposed actions which were specifically identified and provided to the members in advance through the meeting notice. For purposes of this Section, "in-person registration" means a member registering for a meeting at any location designated in the meeting notice.

SECTION 3.07. Order of Business. The order of business at the annual

meeting of the members and at all other meetings of the members shall be conducted in accordance with an agenda established by the Board of Directors.

SECTION 3.08. **Parliamentary Procedure.** Parliamentary procedure relating to any item of business that has been committed by the Board of Directors to a vote utilizing the Annual Meeting Polling Process shall be determined only by reference to the steps, procedures and requirements set forth in this Article III, and shall not be subject to any additional rules of order concerning the achievement or maintenance of a quorum, except as specifically provided in this Article III.

ARTICLE IV DIRECTORS AND THEIR ELECTION

SECTION 4.01. **Number and General Powers.** The business and affairs of the Cooperative shall be managed by a Board of not less than five (5) nor more than twelve (12) Directors, as may be determined by the Board from time to time, 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 4.02. **Director Voting Districts.** The territory served by the Cooperative shall be divided into not less than five (5) and not more than twelve (12) Director districts, the lines of which shall be drawn so as to provide, as nearly as practicable, equal representation among the members of all districts. Each district shall be represented by one (1) Director. The Director districts shall be as shown on the official map of Trustee districts maintained in the headquarters office of the Cooperative.

The Board of Directors shall review the districts from time to time and, if the Board determines that such districts should be increased or decreased in number or altered in size or configuration so as to correct any substantially inequitable factors regarding the residence of members or the geographic scope or shape of districts, or the number of districts, the Board shall alter, reapportion, remove or add one (1) or more districts to insure an equitable representation among Director districts, and shall have the official map and descriptions of Director districts revised to reflect such changes(s) PROVIDED that no such redistricting shall effect removal of any Director prior to the end of his or her term in office. The members of each district affected by any redistricting shall be notified thereof at least ten (10) days prior to the date of their ensuing district election by such means as are provided in Section 3.03 (Notice of Member Meetings).

SECTION 4.03. **Terms of Office.** Each Director shall be elected to serve for

a three-year term of office to the extent practicable. In order to provide continuity of management, district elections shall be staggered, so that, to the extent practicable, an equal number of Directors will be elected in any given year. Upon election, each Director shall assume office at the first meeting of the Board, whether special or regular, following the District Meeting at which the Director was elected, and shall continue to serve, subject to the provisions of Section 4.06, until his or her successor shall have been duly qualified and elected according to the terms of these Bylaws.

SECTION 4.04. Qualifications to be Nominated, Elected and Remain a Director. No person shall be eligible to become or remain a Director of the Cooperative who is not at least eighteen (18) years of age and a member of the Cooperative receiving electric service from the Cooperative at his or her primary residence, which shall be located in the Director district which such person is to represent.

In addition, no person shall be qualified to become or remain a Director of the Cooperative who:

- (a) is a Close Relative of an incumbent Director or, is, or is a close relative of, an employee of the Cooperative;
- (b) is, or is a Close Relative of, an ex-employee of the Cooperative employed within the past five (5) years;
- (c) is in any way employed by or otherwise interested in a business or enterprise primarily engaged in selling electric energy, electric energy equipment, electric energy supplies or electric energy services, to the Cooperative; unless the degree of the prohibited activity is so small as to pose no reasonable prospect of conflict of interest as determined by the Board of Directors according to its established policies;
- (d) is the incumbent of or candidate for an elective public office, which is not an exception to the duality rule as provided in 51 Okl. Stat. § 6, (or other comparable state statute); or who
- (e) has entered a plea of guilty or nolo contendere to, or has been convicted of, a felony;
- (f) has had a guardian or conservator of his or her person or assets appointed or has been adjudged mentally incompetent by a court with jurisdiction and has not had his competency restored; or

(g) is in a status of suspension as provided in Section 2.01.

Upon establishment of the fact that a candidate is not qualified under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the person presiding at the meeting at which such candidate would otherwise be voted upon to disqualify such candidate. If it be established that any person being considered for or already holding a position as Director of the Cooperative is disqualified from holding such office, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed from office immediately, as the case may be.

The existence of one or more of the following facts shall be prima facie evidence of disqualification, whereupon the Director in question will be automatically presumed to have submitted his or her resignation:

- (i) The Director is prevented from performing the essential functions of his or her position by reason of physical or mental disability, which disability continues for a period of more than 180 consecutive days;
- (ii) The Director is found to have engaged in any unauthorized or improper use of the Cooperative's funds; or
- (iii) The Director has failed to serve in accordance with, or has violated any material term, condition or provision of, the Cooperative's Articles of Incorporation, Bylaws, Terms & Conditions, regulations or policies.

SECTION 4.05. Election of Directors by District.

- (a) **District Meetings.** In the event more than one eligible Director candidate provides the required Notice of Candidacy as provided for in Section 4.05(b) below, not less than thirty (30) days nor more than ninety (90) days before any annual meeting, the Board shall call a separate meeting of members for each district in which the term of the incumbent Directors are due to expire, for the purpose of electing one Director to represent the members located within each such district. Such meeting must be held within the boundaries of said district. Director elections shall be conducted according to the District Meeting Polling Process, as defined in Section 4.05(e) below, which shall be immediately followed, upon the closure of the District Meeting Polling Process, by the district member meeting to be held for the purpose of announcing the

winning Director and for the purpose of conducting other appropriate non-election business, if any.

- (b) **Notice of Candidacy.** Any person who desires to serve as Director for his or her district, shall be required to meet the qualifications of a Director as stated in Section 4.04 hereof, and shall file a notice of candidacy, on a form provided by the Cooperative, which shall also bear the signature of ten (10) members who support such candidate and who are eligible to vote in the candidate's district. The notice of candidacy shall be filed in person at the Cooperative's main office during the Cooperative's business hours, not less than twenty-five (25) days nor more than thirty-five (35) days prior to the meeting of the members of said district. No person may be elected Director at a district meeting without first having filed a notice of candidacy as provided in this Section 4.05(b).

- (c) **Notice of District Meetings.** Not less than ten (10) days nor more than twenty five (25) days prior to each district meeting, a duly authorized representative of the Cooperative shall cause each member within the district to be notified of the meeting by any reasonable means provided by Article III, Section 3.03, and any such notice shall state the date, time and purpose of the meeting, as well as the names of any persons who have filed a notice of candidacy from such district pursuant to Section 4.05(b).

- (d) **Conduct of District Meeting.** Upon the closure of the District Meeting Polling Process, as defined in Section 4.05(e) below, the District Meeting, called for the purpose of announcing the winning Director and for the purpose of conducting other appropriate non-election business, if any, shall be called to order by the incumbent Director who currently represents the district, or by any other representative of the Board of Directors designated by the incumbent Director. After calling the meeting to order, the incumbent Director or other Board of Directors representative, as the case may be, shall then proceed to appoint a Chairman and a Secretary for the meeting, each of whom shall be someone other than a Director, and who shall serve for the duration of the meeting. The Chairman of the meeting shall announce the winning Director, as determined in accordance with Section 4.05(e) hereof. Except with respect to an election of a Director in accordance with the District Meeting Polling Process, as defined in Section 4.05(e) hereof, the presence of 5% of the members residing in the district shall be required to constitute a quorum for any purpose other than the election of a Director to represent the district. The procedure for electing a Director to represent the district shall be determined only by reference to the

steps, procedures and requirements set forth in this Article IV, and shall not be subject to any additional rules of order concerning the achievement or maintenance of a quorum, except as specifically provided in this Article IV.

(e) Voting; Director Elections; District Meeting Polling Process.

The only matter to be committed to a vote by the members in a particular district shall be the election of a Director to represent the members of such district. Voting of members residing in the district to elect a Director to represent the members of such district shall (i) be conducted by secret written ballot, (ii) such ballots to be gathered on the same date and at the same location designated by the Board of Directors for the District Meeting of the members, and (iii) such ballots to be collected via a "polling process" which shall continue for a length of time to be determined by the Board of Directors (the "District Meeting Polling Process"). Each member, not in a status of suspension (as provided in Section 2.01), shall have one (1) vote. Spouses shall vote in accordance with Section 1.04 (Husband and Wife-Joint Membership) and therefore, the vote of either or both shall constitute, respectively, one (1) joint vote: PROVIDED, that if both be present in disagreement on such vote, each shall cast only one-half (1/2) vote. Members may vote in-person, by proxy, by mail, or by any other method as may be determined by the Board of Directors to be in accordance with (i) the best interests of the Cooperative, (ii) generally accepted practices within the electric cooperative industry, and (iii) state and federal law. Ballots from 5% of the members within the district shall be required in order to constitute a "quorum" with respect to the election of a Director, and the candidate receiving the most votes out of the ballots cast shall be declared the winning Director. In the event of a failure to achieve the required "quorum", or in the event of a tie between an incumbent Director standing for re-election and another candidate, the incumbent Director shall be deemed the winning Director. In the event of a tie between any other non-incumbent candidates, the winner shall be determined by coin toss. If only one person shall have complied with the candidacy requirements set forth under Section 4.05(b) hereof, such candidate shall automatically be declared the winning Director. The District Meeting Polling Process shall be conducted in accordance with such other rules and regulations as may be established from time to time by the Board of Directors, in its discretion. The Director elected shall take office and assume the duties and responsibilities thereof at the first meeting of the Board, whether special or regular, following the District Meeting in which the Director was elected.

- (f) If specified in the meeting notice, in-person registrations shall be counted toward the required five percent (5%) of members necessary to constitute a quorum. Any vote taken at a time when less than five percent (5%) of all members are physically present shall be taken only on proposed actions which were specifically identified and provided to the members in advance through the meeting notice. For purposes of this Section, "in-person registration" means a member registering for a meeting at any location designated in the meeting notice.
- (g) **Records.** The official records of each district election shall set forth, among other relevant matters, the name of each candidate and number of votes received. A certified copy of such records shall be signed and duly filed by the Secretary of the Cooperative.

SECTION 4.06. Removal of Directors by Members. Any member may bring charges for removal of a Director on the grounds of willful neglect of duty, incompetence, disloyalty to the Cooperative, or any conduct involving moral turpitude, or for other just and lawful cause, by filing with the Secretary such charges in writing together with a petition signed by not less than ten (10%) percent of the total membership of the Cooperative, requesting removal of such Director for cause stated. Upon the filing of such charges, a special meeting of the members shall be called to consider and act upon such charges within forty-five (45) days after such petition is filed (or at the next annual meeting of the members if the same will be held within ninety (90) days after such petition is filed). Such Director shall be informed in writing of the charges not less than twenty (20) days prior to the meeting at which the charges are to be considered, and shall have an opportunity to be heard at the meeting, in person or by counsel, and to present evidence in rebuttal of the charges; and the person or persons bringing the charges against such Director shall have the same opportunity. The meeting shall be called to order by a Director other than the one against whom charges for removal have been brought, or some other person designated by the Board of Directors. The members shall then proceed to elect a Chairperson and Secretary for the meeting. The Director under charges shall not act in either capacity. The question of such Director's removal shall be considered and voted upon at the meeting and, in the event of removal, any vacancy created shall be filled by vote of the members at that meeting; provided, however, that any newly elected Director shall be a person duly qualified to represent the same Director District as the Director to whose office such person succeeds. Immediately upon his selection such new Director shall be seated as a Board member to serve out the unexpired term of the Director who was removed.

SECTION 4.07. Vacancies. A vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining Trustees,

unless the Directors, exercising the powers granted under Section 4.02 hereof, determine that a reduction in the number of voting districts is necessary, in which case the Board of Directors may refrain from filling said vacancy; PROVIDED, that a Director so appointed shall be a person qualified to represent the same Director District to whose office such person succeeds and shall be appointed to serve out the unexpired term of the vacant Directorship.

SECTION 4.08. Compensation; Expenses; Indemnification. Directors shall not receive any compensation for their services as such except that Directors shall receive, on a per diem basis, such fee (which may include insurance benefits) as shall be fixed from time to time by resolution of the Board of Directors for their attendance at meetings of the Board or of committees of the Board; Board and committee meetings of associated organizations when such organizations provide no fee for Director's attendance; other meetings, conferences, training programs and seminars when Director's attendance will benefit the Cooperative; and the performance of any function related to the business of the Cooperative or any act on behalf of the Cooperative, and authorized by the Board of Directors. For the performance of their duties, Directors also shall receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in accordance with the Cooperative's established policies. No Director shall receive compensation for serving the Cooperative in any other capacity, provided, however, that Directors may be afforded such benefits as may from time to time be offered similar officials of other rural electric cooperatives. No Close Relative of any Director shall receive compensation for serving the Cooperative unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or by the unanimous vote of the remaining Directors upon their certification of such payment as an emergency measure. The Cooperative shall indemnify its Directors, and may purchase insurance to cover such indemnification, against all liability arising out of acts done in official capacity, in good faith, and deemed to be in the best interests of the Cooperative or not against its best interests.

SECTION 4.09. "Close Relative" Defined. As used herein, "Close Relative" means a person who, by blood or marriage, including but not necessarily limited to step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the person in question.

ARTICLE V MEETINGS OF DIRECTORS; POWERS AND DUTIES

SECTION 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held monthly within one (1) of the counties served by the

Cooperative within the State of Oklahoma, at such date, time and place, as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution; PROVIDED, that any Director absent from any meeting of the Board at which such a resolution initially determines the date, time or place of a subsequent meeting, or makes any change therein, shall be entitled to receive written notice of such determination or change at least five (5) days prior to the subsequent meeting of the Board; AND PROVIDED FURTHER that, by policy established by the Board, the President may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all Directors.

SECTION 5.02. Special Meetings. Special meetings of the Board of Directors may be called by Board resolution, by the President or by any five (5) Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President or the Directors calling the meeting, as the case may be, shall fix the date, time and place for the special meeting, which meeting shall be held in one (1) of the counties served by the Cooperative in the State of Oklahoma unless a majority of all Directors consent to its being held in some other place in that state or elsewhere.

SECTION 5.03. Notice of Directors' Meeting. Written notice of the date, time, place and purpose or purposes of any special meeting of the Board shall be delivered, either personally or by mail, by or at the direction of the Secretary (or, upon a default in duty by the Secretary, by the President or the Directors calling a special meeting or by any other Director or officer in the case of any meeting for which the date, time and place have already been fixed by Board resolution) to each Director not less than five (5) days prior to the day on which such meeting is to be held. If mailed, such notice shall be deemed to be delivered to each Director when deposited in the United States mail, addressed to such Director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a Director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one (1) or more items of business, on the ground that the meeting was not lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the Directors in office shall be required for the transaction of business, and, except when these Bylaws provide otherwise with respect to a specific matter, the affirmative votes of at least a majority of the Directors present shall be required for any action to be taken: PROVIDED, that a Director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with

respect to consideration of and action upon that matter, be counted in determining the number of Directors present; AND PROVIDED FURTHER, that if less than a quorum be present at a meeting, a majority of the Directors present may adjourn the meeting from time to time, but shall cause the absent Directors to be duly and timely notified of the date, time and place of any adjourned meeting.

SECTION 5.05. **Attendance.** Any Director who is absent from three (3) consecutive regular meetings or from four (4) or more regular meetings of the Board of Directors during any twelve-month period shall automatically lose his or her status as a Director and the remaining Director shall declare a vacancy on the Board from the district represented by such Director, to be filled in accordance with Section 4.07 of these Bylaws, unless the remainder of the Board of Directors determines that such absences should be excused for justifiable cause.

SECTION 5.06. **Rules, Regulations, Rate Schedules and Contracts.** The Board of Directors shall have power, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative, to make, adopt, amend, abolish and promulgate such policies, rules, regulations, rate schedules, contracts, security deposits and other types of deposits, fees, payments or charges, including but not limited to, contributions in-aid-of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws.

SECTION 5.07. **Accounting System and Reports.** The Board of Directors shall cause a complete accounting system of the Cooperative's financial operations and condition to be established and maintained and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records, reflecting financial operations during, and financial condition as of the end of such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting. The Board of Directors may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 5.08. **Subscriptions: The Cooperative's Newsletter and Oklahoma Association of Electric Cooperatives' Publication.** For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered to subscribe members periodically to the Cooperative's newsletter, the annual subscription price of which shall be the Cooperative's cost of publication and distribution. The Board shall also be empowered to subscribe the members to periodically receive information by publications selected by the Board, the subscription price of which shall be the price as billed to the Cooperative. The

price of subscriptions shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

ARTICLE VI OFFICERS: MISCELLANEOUS

SECTION 6.01. **Number and Title.** The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. **Election and Term of Office.** The four (4) officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors. Each such officer shall hold office until the officer's successor shall have been elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Directors by the members and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such titles, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

SECTION 6.03. **Removal.** Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever, in its judgment, the best interests of the Cooperative will thereby be served. However, such removal shall not be effectuated inconsistently with any written contract between the Cooperative and such officer, agent or employee unless such person consents.

SECTION 6.04. **Vacancies.** A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. **President.** The President shall:

- (a) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board, at all meetings of the members;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed;

- (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;
- (d) and shall, in the event any other officer of the Cooperative is absent or unable to perform normal duties of the office, appoint an acting officer who shall serve with the same rights, powers, duties and responsibilities as the officer for whom such acting officer is temporarily acting, until the said elected officer shall be able to perform normal duties of the office, or until such office has been declared vacant by a majority vote of the Board of Directors at any regular or special meeting, and the vacancy is filled by the Board of Directors as provided in Section 6.02 of this Article.

SECTION 6.06. **Vice President.** In the absence of the President, or in the event of the President's 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, and shall perform such other duties as from time to time may be assigned by the Board of Directors.

SECTION 6.07. **Secretary.** The Secretary shall:

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of the Board of Directors in one (1) or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed 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 or as required by law;
- (d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
- (e) have general charge of the books of the Cooperative in which a record of the members is kept;

- (f) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and
- (g) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the Board of Directors.

SECTION 6.08. **Treasurer.** The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts, or cause to be received and receipts given, for all monies due and payable to the Cooperative from any source whatsoever, and deposit or invest, or cause to be deposited or invested, all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

SECTION 6.09. **Delegation of Secretary's and Treasurer's Responsibilities.** Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one (1) or more of each such officer's duties to one (1) or more agents, other officers or employees of the Cooperative who are not Directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 6.10. **General Manager, Executive Vice President, and Chief Executive Officer (CEO).** The Board of Directors may appoint a General Manager, who may be, but shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President/Chief Executive Officer (CEO). Such officer shall perform such duties and shall have such authority as the Board of Directors may from time to time

vest in the officer.

SECTION 6.11. **Bonds.** The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to 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. The costs of all such bonds shall be borne by the Cooperative.

SECTION 6.12. **Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors, and with respect to compensation for Directors or Close Relatives shall be determined as provided in Section 4.08 of these Bylaws.

SECTION 6.13. **Reports.** The officers of the Cooperative shall submit at each annual meeting of the members, or shall have included with the official notice of such meeting, 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 CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01. **Contracts.** Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee 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 7.02. **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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution for the Board of Directors.

SECTION 7.03. **Deposits, Investments.** All funds of the Cooperative except petty cash shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VIII

NON-PROFIT OPERATION

SECTION 8.01. **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 8.02. **Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce capital 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 for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and other 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 as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such 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 the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital 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 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 payment be made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirement of capital furnished prior to January 1, 1977, 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, except that after January 1, 1977, the Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital: 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 service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions or of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to such patrons' accounts and (d) preclude a general retirement of such portions 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.

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 of Directors, acting under policies of general application, shall determine otherwise.

In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these Bylaws, the Board of Directors shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of such person's estate shall request in writing that the capital credited to such patron be retired prior to the time such capital would otherwise be retired under the provision of these Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, shall determine: PROVIDED, however, that the financial conditions of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the state legal rate, except as

otherwise limited by law, in effect when such amount first became overdue, compounded annually.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron has individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron by posting in a conspicuous place in the Cooperative's offices.

SECTION 8.03. Patronage Capital in Connection with Other Revenues. Patronage capital produced by the Cooperative as a result of other revenues or received by the Cooperative as a result of its investments, including those investments through the use of subsidiaries and affiliates, may be allocated at the discretion of the Board, from time-to-time in an equitable manner. Such patronage capital may be allocated in whole or in part to a capital account or capital accounts of the Cooperative or may be allocated to the patrons of the Cooperative in proportion to their purchases of services as provided in Section 8.02 of these Bylaws.

A R T I C L E IX DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 9.01. Distribution and Pledging of Property.

- (a) The members of the Cooperative may authorize the sale, lease, lease-sale, exchange or other disposition of or encumber all or a substantial portion of the Cooperative's properties and assets by the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative present in person at a special or annual meeting of the members. To vote on the sale, lease, lease-sale, exchange or disposition of or encumbering the assets of the Cooperative, members must be present in person at a special or annual meeting of the members when the notice of such proposed sale, lease, lease-sale, or other disposition shall have been contained in the notice of the meeting of the members, and the Board of Directors may authorize the pledging of such properties and assets as securities, all as provided in Title 18, Section 437.20 0.5. 1951, The Rural Electric Cooperative Act. Not inconsistently with that statute, the Board of Directors may authorize the sale, exchange or other

disposition of less than a substantial portion of the Cooperative's properties and assets and any property or merchandise no longer necessary or useful for the operation of the Cooperative. "Substantial portion", as used in this Section, means ten (10%) per centum or more of the fair market value of the Cooperative's total properties and assets.

(b) Not in conflict with, or in lieu of, but rather as supplementary to the foregoing Subsection (a), the following procedures shall be followed in authorizing a sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative's properties and assets:

(1) Before allowing any plan or proposal to be submitted to the members, the Board of Directors shall cause three (3) independent appraisers, expert in such matters to be appointed to render their individual opinions as to the fair market value of the Cooperative's assets and properties, including its goodwill and business value, and as to any other terms and conditions which, in their respective, judgments, should be considered. The Board of Directors after receiving such appraisals (and other terms and conditions which are recommended, if any) shall then give every other electric cooperative in Oklahoma (which has not submitted such a plan or proposal) and the National Rural Utilities Cooperative Finance Corporation, an opportunity to submit competing plans or proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall attach a copy of the initial plan or proposal being then considered and a copy of the reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days within which to submit competing plans or proposals, and the actual minimum period within which plans or proposals are to be submitted shall be stated in the written notice given to them.

(2) Any two hundred (200) or more members, by so petitioning the Board of Directors not less than fifteen (15) days before the date of the special or annual meeting of the members at which such a plan or proposal will be considered, may cause the Cooperative, with the costs to be borne by the Cooperative, to mail to all other members, at least seven (7) days prior to such meeting of the members, any opposing positions or alternative plans or proposals with the petitioners may have.

The provisions of this Subsection (b) shall not apply to a sale, lease-sale,

exchange or other disposition to one (1) or more other electric cooperatives if the actual legal effect thereof is to merge or consolidate with such one (1) or more electric cooperatives.

SECTION 9.02. Distribution of Surplus Assets on Dissolution. Except if and to the extent in conflict with the Oklahoma law providing for the dissolution of private corporations, upon the Cooperative's dissolution, any assets remaining after all of the Cooperative's liabilities and obligations, including outstanding capital credits, have been satisfied or discharged or a plan therefor appropriately established, shall, to the extent practicable as determined by the Board of Directors, be distributed without priority among all persons who are or who have been patrons of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bears to the total receipts of the Cooperative since its inception or such subsequent date for the limiting of such total period as may be determined by the Board of Directors: PROVIDED that, before making such distribution, if any gain is realized upon dissolution from the sale of any appreciated asset, such gain shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable as determined by the Board of Directors; AND PROVIDED FURTHER, HOWEVER, that, if in the judgment of the Board of Directors the amount of such surplus is too small to justify the expense of making any distribution whatever, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one (1) or more nonprofit charitable or educational organizations that are exempt from federal income taxation.

ARTICLE X WAIVER OF NOTICE

Any member or Director may waive, in writing, any notice of a meeting required to be given by these Bylaws.

ARTICLE XI FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and shall end on the last day of the month of December following.

ARTICLE XII RULES OF ORDER

Parliamentary procedures at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Article of Incorporation or Bylaws.

ARTICLE XIII SEAL

The Corporate seal of the Cooperative shall be in a form prescribed by the Board and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal (Name of the State)."

ARTICLE XIV AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative votes of a majority of the votes cast by the members at any annual or special meeting of the members, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.

Published June 30, 1945

Amended 1951	Amended 1957
Amended 1967	Amended 1969
Amended 1971	Amended 1972
Amended 1976	Amended 1980
Amended 1984	Amended 1992
Amended 1994	Amended 1997
Amended 2002	Amended 2005
Amended 2008	Amended 2010
Amended 2019	Amended 2022