

BYLAWS
OF
LAKE REGION ELECTRIC COOPERATIVE, INC.

ARTICLE I
MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Lake Region Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

(a) making a written application for membership therein;

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

(c) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of trustees, and

(d) paying the membership fee hereinafter specified provided, however, that no person, firm, association, or body politic or subdivision thereof shall become a member unless and until he/she or it has been accepted for membership by the board of trustees or the members. 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.

At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting which have not been accepted or which have been rejected by the board of trustees shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days written notice of the date of the members' meeting to which his/her application will be submitted, and such applicant shall be entitled to be present and heard at the meeting.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board of trustees. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board of trustees may prescribe.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter-specified actions by or in respect of the holders of a joint membership shall be as follows:

(a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;

(b) The vote of either separately or both jointly shall constitute one joint vote;

(c) A waiver of notice signed by either or both shall constitute a joint waiver;

(d) Notice to either shall constitute notice to both;

(e) Expulsion of either shall terminate the joint membership;

(f) Withdrawal of either shall terminate the joint membership;

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

SECTION 4. Conversion of Membership. (a) A Membership may be converted to a joint membership upon the written request of the holder thereof and agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board of trustees. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

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

SECTION 5. Membership and Service Connection Fees. The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection. A service connection fee of five dollars shall be charged for each additional service connection.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his/her application for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by the board of Trustees; provided, however, that the board of trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. 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 per month regardless of the amount of electric energy consumed, as shall be fixed by the board of trustees from time to time. Each member shall also pay all amounts owed by him/her to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with each uniform terms and conditions as the board of trustees may prescribe. The board of trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the trustees, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the board of trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him/her liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board of trustees 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/her has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, shall be canceled by resolution of the board of trustees.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him/her, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative; and provided further, however, that any membership fee which has been paid in whole or in part by the application of capital credited to the account of a non-member patron as provided in these by-laws, shall be repaid to the member only in accordance with the provisions of these by-laws with respect to the retirement of patronage capital.

SECTION 8. (Incorporated into the bylaws by membership vote at the 1994 annual meeting.)

Policy No. 112

SUBJECT: Member Access to Information

OBJECTIVE: To Establish the Types of Information Routinely Available to Members without Restriction or Condition; the Types of Information Available to Members upon Purpose-Stated Requests; and a Related Request Form

POLICY:

One of the ideals of the Cooperative is to promote a well-informed membership as to all information and data that will (1) keep members abreast of their Cooperative's activities, operations and financial condition, (2) make them knowledgeable of the Cooperative's directors, officers and employees, (3) inform them of, and encourage their active support of and participation in, Cooperative plans and programs for efficient and safe use of electric energy and sound community development, (4) encourage their full and active participation as members in the Cooperative's affairs through attendance of and voting in member meetings and otherwise, and (5) in general, promote a "good neighbor" and "good citizenship" philosophy as between and among the Cooperative, its members, the public at large and other related organizations and agencies, including government.

In furtherance of this ideal, the Cooperative will make available to its members so requesting information and data that are germane to their interests as members, requested for a proper purpose and the revelation of

which will not be adverse to the best interests of the Cooperative or its other members, in accordance with the following standards and conditions.

1. Subject to subparagraphs 3, 4 and 5, upon mere oral request and proper identification of the requesting member, routine information and data will be made available as promptly as possible during normal business hours, and will include but not necessarily be limited to the following:
 - A. The Cooperative's articles of incorporation, bylaws, rates, charges and service rules and regulations;
 - B. Operating and other financial reports that are regularly made to the United States Rural Electrification Administration and/or National Rural Utilities Cooperative Finance Corporation;
 - C. Adopted work plans for the Cooperative's future construction, operation and maintenance of its general plant and electric system;
 - D. Adopted budgets for current and future operations and capital improvements;
 - E. The minutes of any prior member meeting;
 - F. Any publications the Cooperative may have for general distribution relating to the efficient or safe use of electric energy, Cooperative energy use and conservation programs, and the like; and
 - G. Publications subscribed or otherwise obtained by the Cooperative bearing on one or more aspects of its organization and operation.
2. Subject to subparagraphs 3, 4 and 5, upon formal written request on the form attached hereto, stating a proper purpose that is germane to the requesting member's interests as a member, and whereby the member specifies a proper use to which he will or may put the information and data, and covenants not to furnish it to non-members or put it to any use other than as stated, non-routine information and data will be made available as promptly as possible at reasonable times during normal business hours.
3. The Cooperative will not release any information or data in relation to any pending lawsuit against it, any of its officers or employed personnel, except upon appropriate court order or upon the advice of counsel, approved by the Board of Trustees. The Cooperative will not release any information or data (1) that will or may unlawfully invade any person's privacy; (2) that is of a confidential nature, such as an employee's individual employment file or a budgeted but unpublished minimum or maximum for future facilities or contract work that will be negotiated or let to bid; (3) that would violate any agreement with third parties with respect to trade secrets; (4) that if so published might, for that reason among others, subject the Cooperative to an adverse action, in law or in equity, or by a regulatory agency; (5) that if so published would adversely affect the Cooperative in its negotiations with third parties for any purpose; (6) that if so published would otherwise adversely affect the Cooperative unduly out of proportion to the possible rightful interests of the requesting member; (7) that is prohibited by any tribunal having jurisdiction in the premises; or (8) that would violate the privilege of confidential communication between the Cooperative and its attorney.
4. The Cooperative will furnish free of cost copies of the items listed under subparagraphs 1 A and F and any of the other items covered under paragraphs 1 and 2 that, in the Cooperative's sole discretion, will entail only minimal copying costs. Otherwise, the requesting member shall bear the cost of such copying.
5. Whenever any member requests any item covered by subparagraphs 1 and 2, other than subparagraphs 1 A and F, that fact will, prior to making any such item available to him/her, be communicated to and approved

by the general manager or, in his absence, the Cooperative's attorney. With respect to items covered under subparagraph 2 or that may be affected by subparagraph 4, the general manager, before making such item available, shall without fail consult with the Cooperative's attorney. If, after such consultation, they are in agreement as to whether the item will be made available, the general manager will proceed accordingly. If, after such consultation, either concludes that the item should not be made available, the general manager will withhold the item pending consideration of the request by the Board and its action thereon. With respect to items covered under subparagraph 1, other than 1 A and F, the general manager, if he entertains any doubt whatsoever that the information or data should be withheld, shall similarly consult with the Cooperative's attorney and the matter shall be treated as above provided for items under subparagraphs 2 and 4. In any event, the general manager, at the first next meeting of the Board, shall report thereto on all such requests other than as covered by subparagraphs 1 A and F.

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 seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

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

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. **Annual Meeting.** The annual meeting of the members shall be held on the last Saturday of April of each year, at such place within the boundary of the area served by the Lake Region Electric Cooperative within the State of Oklahoma, as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. However, for cause sufficient to it, the board may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this section. It shall be the responsibility of the board of trustees to make adequate plans and preparations for, and to encourage member attendance at the Annual Meeting. Failure to hold the Annual Meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. **Special Meetings.** Special meetings of the members may be called by resolution of the board of trustees, or upon a written request signed by any three trustees, by the President, or by ten per centum or

more of all members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided.

SECTION 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting 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. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her 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. As long as the total number of members does not exceed five hundred, ten per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or five per centum of the members present in person, whichever shall be the larger, 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 members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation or these bylaws. Further either the husband or wife of any member shall have the right to vote in the absence of the other, but in no event shall both husband and wife vote where there is only one membership.

SECTION 6. Mail Voting. Any member who is absent from any annual or special meeting of the members may vote by mail upon any motion or resolution to be acted upon at any such meeting in connection with the borrowing of funds from the United States of America or any agency or instrumentality thereof, the sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agency or instrumentality thereof. The Secretary shall enclose with the notice of such meeting an exact copy of such motion or resolution to be acted upon and such absent member shall express his/her vote thereon by writing "yes" or "no" on each such motion or resolution in the space provided therefor and enclose each such copy so marked in a sealed envelope bearing his/her name and addressed to the Secretary. When such written vote so enclosed is received by mail from any absent member, it shall be accepted and counted as a vote of such absent member at such meeting. The absentee ballot must be in the hands of the Secretary at the time the meeting is called to order, and if received at a later time, shall be invalid. If a husband and wife hold a joint membership and are absent from any annual or special meeting of the members, they shall jointly be entitled to vote by mail as provided in this section. The failure of any such absent member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

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 of mailing thereof, or the waiver 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, trustees, and committees.
5. Election of trustees.
6. Unfinished business.
7. New business.
8. Adjournment.

SECTION 8. (Incorporated into the bylaws by vote of the membership at the 1994 Annual Meeting)

Policy No. 113

SUBJECT: Member and Non-Member Attendance at Board Meeting

OBJECTIVE: To foster the Cooperative philosophy of member rights and outline conditions and circumstances under which member visitation at Board meetings is invited and encouraged. To establish appropriate procedures applicable to the subject practice.

SCOPE: This benefit is extended to any active member in good standing with the Cooperative.

Other community citizens may make a request for appearance and each request will be considered by the Board based on the merits of each request. The applicant will be notified at least three (3) days prior to the Board meeting whether his/her request is approved or disapproved.

POLICY:

Article IV, Section 1 of the Cooperative's Bylaws provides that all of the Cooperative's powers shall be exercised by the Board "except such as are by law and articles of incorporation or those bylaws conferred upon or reserved to the members." Notwithstanding the foregoing Bylaw provision, it is the Cooperative's ideal and policy to encourage member attendance and observation of Board meetings. It is in their official meetings that the Board most often exercises the Cooperative's powers through Board action. By this Policy the Cooperative encourages -- and establishes appropriate procedures relating to -- member attendance and observation of Board meetings.

1. When one or more members request to attend a Board meeting, the following rules and procedures shall apply:
 - A. If the attendance is solely for the purpose of member(s) to observe the board meeting for their own interest and enlightenment about their cooperatives affairs, there will be no advance notification requirement. Members are welcome and encouraged to observe the Cooperative Board Meeting.

B. If the attendance is for the purpose of addressing the board, a request shall be submitted to the Cooperative in writing on the "**Board Meeting Attendance Request Form**" attached hereto and made an integral part of this policy. This request shall be submitted to the office of the General Manager a minimum of ten (10) days prior to the date of scheduled board meeting for which the attendance is requested.

C. An attendance request may be for the sole stated purpose of bringing a complaint or controversial matter before the Board, in which case the Cooperative's management shall make every reasonable effort through conference and mediation with the requesting member(s) to resolve the matter without necessity of their attending a Board meeting. The first 30 minutes of all regular board meetings are set aside for the purpose of the members addressing the board. This should be limited to not more than five minutes per person so that more members could address the board.

D. If several members request to attend a meeting of the Board in connection with the same matter, the Board, even though such request is granted, may nevertheless, due to seating limitations, restrict the maximum number of those who may attend and may require the group to designate a single representative to speak for them.

2. Whenever one or more members attend a meeting of the Board, the following procedure shall be followed:

A. Without regard to the purpose of a member's attending a Board meeting, he or she will be duly informed that the Board reserves the right, and that it has the duty, to exclude him or her from the meeting at any time the Board or any member thereof deems such is necessary for the Board meeting to proceed objectively and without the prejudice or undue influence that such member's continued presence might cause.

B. If a member attends to present a specific matter, including complaints, or to make specific inquiries, the Board will hear such presentation totally, including asking any questions that it deems appropriate, but it will not necessarily discuss or respond or take any action with respect to such matter or inquiry until after the member has retired from the meeting room. After deliberating the matter and making its decision, the Board shall cause such member to be promptly informed thereof, including, if such be the case, that no action was or will be taken thereon at all.

3. At each meeting of the Board, the general manager shall report to the Board on any such member requests, how they have thus far been handled and what recommendations, if any, the general manager or the Cooperative's general counsel may have with respect thereto.

ARTICLE IV

TRUSTEES

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

SECTION 2. Election and Tenure of Office. The trustees elected prior to the 1993 annual meeting shall comprise the Board of Trustees until their successors shall have been elected and qualified, but in no event for a term of more than three (3) years. Trustees shall be elected by secret ballot at each annual member meeting. Beginning in 1993, trustees shall be so nominated and elected that two (2) trustees shall be elected for three (3) year terms; the following year two (2) trustees shall be elected for three (3) year terms; the following year three (3) trustees shall be elected for three (3) year terms; and so forth. Upon their election, trustees shall,

subject to the provisions of these bylaws with respect to the removal of trustees, serve until the conclusion of the annual meeting of the members of the year in which their term expires or until their successors shall have been elected and shall have qualified. If for any reason an election of trustees shall not be held at a meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held meeting of the members. In the event of a failure of an election for a given year, the incumbent whose term otherwise would have expired shall hold over only until the next member meeting at which a quorum is present and a successor is elected. Any such trustee elected at such a subsequent member meeting shall serve only the remainder of the term of such trustee.

SECTION 3. Qualifications. No person shall be eligible to become or remain a trustee of the Cooperative who:

- (a) has not continuously been, for at least one (1) year prior to his nomination, or who ceases after his election to be, a member in good standing of the cooperative, receiving service therefrom at his primary residential abode; or
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or
- (c) has been employed by the cooperative within a five year period from the date of employment termination, or
- (d) is a close relative of an employee or trustee of the cooperative, or
- (e) is the incumbent of or candidate for an elected public office in connection with which a salary or compensation in excess of \$100 is paid.

"Close Relative" means a person who by blood or in law, including step, half, foster and adoptive kin, is either spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal. Close relative shall also include more distant relatives who are members of the same household of an existing employee or trustee. The term "Spouse" shall also mean persons who are living together in a conjugal relationship, even though not legally married.

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

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

SECTION 4. Nominations. Any member in good standing, numbering fifteen (15) or more, may make nominations by petition on forms provided by the Cooperative not less than thirty-five (35) days nor more than sixty (60) days prior to the annual meeting of the members. An incumbent Trustee whose term is expiring shall be required to submit a nominating petition. The Secretary shall cause the nominations to be posted at the principal office of the Cooperative. In addition the Secretary shall cause to be mailed with the notice of the meeting, or if necessary separately, a statement of the number of trustees to be elected and the names and addresses of the candidates, identifying the incumbent and other nominees not less than ten days before the date of the meeting.

SECTION 5. Removal of Trustees by Members. Any member may bring charges against a trustee and by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of

the members, may request the removal of such trustee by reason thereof. Such trustee shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges: and the person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the death, resignation, removal of trustees by the members or the board of trustees, a vacancy occurring in the board of trustees shall be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term.

SECTION 7. Compensation. Trustees shall not receive any salary for their services as trustees, except that by resolution of the board of trustees a fixed sum and actual expenses of attendance, if any, may be allowed for attendance at each meeting.

ARTICLE V

MEETINGS OF TRUSTEES

SECTION 1. Regular Meetings. A regular meeting of the board of trustees shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of trustees shall also be held monthly at such time and place within the boundary of the area served by the Lake Region Electric Cooperative or in any city or town within such boundary within the state of Oklahoma, as the board of trustees may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meeting. Special meeting of the Board of Trustees may be called by the President or by any three trustees, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place within the boundary of the area served by the Lake Region Electric Cooperative, for the holding of the meeting.

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

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

ARTICLE VI

OFFICERS

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

SECTION 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the board of trustees at the meeting of the board of trustees held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of trustees following the next succeeding annual meeting of the members or until his/her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term.

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

SECTION 4. President. The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the board of trustees, shall preside at all meetings of the members and the board of trustees;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board of trustees or the members, and may sign any deeds, mortgages, deed of trust, notes, bonds, contracts or other instruments authorized by the board of trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of trustees to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of trustees from time to time.

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

SECTION 6. Secretary. The Secretary shall:

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

- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all 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) keep a register of the names and post office addresses of all members;
- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the board of trustees or the members;
- (f) have general charge of the books of the Cooperative;
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to each member; and
- (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the board of trustees.

SECTION 7. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these by-laws; and
- (c) in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the board of trustees.

SECTION 8. Manager. The board of trustees may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board of trustees 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 give bond in such sum and with such surety as the board of trustees shall determine. The board of trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bonds in such amount and with such surety as it shall determine.

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

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

ARTICLE VII

NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on 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. In the furnishing of electric energy the Cooperative's operation shall be conducted so that all patrons, members and non-members alike will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all of 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 at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons, members and non-members alike as capital. The Cooperative is obligated to pay 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.

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 of capital.

Notwithstanding any other provisions of the bylaws, the board of trustees at its discretion shall have the power at any time upon the death of any patron (who was a natural person) if the legal representative of his/her estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of trustees, acting under the policies of general application, and the legal representatives of such patrons estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

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

SECTION 3. Capital Credits and Patronage Refunds In Connection with Furnishing Other Services. Capital Credits shall be made only in connection with the consumption of electrical energy, unless the board of trustees of the Cooperative shall determine otherwise. Capital Credits and Patronage Refunds received from the furnishing of any or all other services or other income may, by Resolution or established policies of the board of trustees of the Cooperative, be made to all patrons.

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) 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 herein contained, or any other provisions of laws, the board of trustees of a Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof or of any corporation or financial institution authorized to assist in the credit and financial needs of rural electric Cooperatives.

ARTICLE IX

SEAL

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

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board of trustees 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 evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board of trustees.

SECTION 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board of trustees may select.

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Services of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

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

ARTICLE XI

MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action to be taken upon proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the board of trustees, purchase stock in or become a member of any corporation or organization, organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of RUS of any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or trustee may waive in writing any notice of a meeting required to be given by these

bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

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

SECTION 4. Accounting System and Reports. The board of trustees shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board of trustees shall have the authority to cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as they deem necessary. Such audit reports shall be submitted to the members at the next annual meeting.

ARTICLE XII

AMENDMENTS

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

This reprinting supersedes all previous printings of the bylaws.
May 2008