

**NORTHEAST OKLAHOMA ELECTRIC COOPERATIVE, INC.  
VINITA, OKLAHOMA**

**BYLAWS**

**Approved by the Membership  
September 19, 2020**

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## Defined Terms

The following terms are defined in the corresponding Sections:

Cooperative (Section 1.01)	Suspension Reasons (Section 1.10)
Act (Section 1.01)	Cooperative Official (Section 1.14)
Member (Section 1.02)	Annual Member Meeting (Section 2.01)
Person (Section 1.02)	Regular Member Meetings (Section 2.01)
Use(s) (Section 1.02)	Special Member Meeting (Section 2.02)
Provided (Section 1.02)	Total Membership (Section 2.02)
Electric Service (Section 1.02)	Member Demand (Section 2.02)
Entity (Section 1.02)	Mail Ballot (Section 2.05)
Occupies (Section 1.02)	Record Date (Section 2.06)
Location (Section 1.02)	Board (Section 3.01)
Membership Application (Section 1.03)	Trustee(s) (Section 3.01)
Membership (Section 1.03)	District(s) or Trustee District(s) (Section 3.05)
Membership Obligations (Section 1.03)	District Meeting (Section 3.06)
Joint Membership (Section 1.04)	Close Relative (Section 3.15)
Joint Members (Section 1.04)	Trustee Written Consent (Section 4.05)
Patronage Capital (Section 1.07)	Transaction (Section 9.01)
Usage Information (Section 1.09)	Consolidate or Merge (Section 9.03)

## **ARTICLE I MEMBERSHIP**

**SECTION 1.01. Purpose.** Northeast Oklahoma Electric Cooperative, Inc. ("Cooperative"), is a nonprofit electric cooperative formed under the Oklahoma Rural Electric Cooperative Act ("Act"), Okla. Stat. tit. 18, §§ 437.1, et. seq. The Cooperative is organized for any and all purposes permitted by the Act and any other applicable law, which purposes shall include, but not be limited to, supplying electric energy and promoting and extending the use thereof in rural areas, as well as providing any other good or service as determined by the Board, to the extent permitted by applicable law.

**SECTION 1.02. Member Qualifications.** Except as otherwise provided in these Bylaws, an individual (which shall mean a natural person) or Entity may become and remain a member ("Member") of the Cooperative only if: (1) the individual or Entity is a person with the capacity to enter legally binding contracts ("Person") and (2) the Person consumes, receives, purchases, or otherwise uses ("Use(s)"), or requests or agrees to Use electric energy ("Electric Service") generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided ("Provided") by the Cooperative.

An "Entity" includes a domestic or foreign: cooperative; business or nonprofit corporation; sole proprietorship; unincorporated association; limited liability company; partnership; trust; estate; persons having a joint or common economic interest; and local, regional, state, federal, or national government, including an agency or division of a government.

Except as otherwise provided in these Bylaws, a Person may not become or remain a Member of the Cooperative if the Person resides at, engages in a business at, owns, controls, or otherwise occupies ("Occupies") a residence, office, building, premise, structure, facility, or other location ("Location"), where Electric Service is already Provided and which Location is or was:

- (a) Occupied by a second Person, other than a landlord, tenant, or similarly related Person, who: (1) is a Member, other than a Joint Member; or (2) owes the Cooperative for Electric Service Provided to or for the Location, if the first Person Occupied the Location when the Cooperative Provided the Electric Service; or
- (b) previously Occupied by an Entity owned or controlled by the Person, which Entity owes the Cooperative for Electric Service Provided to or for the Location.

A Person, either individually or through an Entity not considered legally separate from the Person, may not hold more than one (1) Membership in the Cooperative. No Membership shall be transferable except as provided in these Bylaws.

**SECTION 1.03. Application for Membership; Renewal of Prior Application.** Any Person who Uses Electric Service shall submit an application for Membership ("Membership Application") on such forms as may be provided by the Cooperative. Any Person submitting a Membership Application shall agree to purchase Electric Service from the Cooperative and to be bound by and to comply with all of the other

provisions of the Cooperative's Articles of Incorporation and Bylaws, all rules, regulations, rate classifications and rate schedules established pursuant thereto, and all applicable laws, as all the same then exist or may thereafter be adopted, repealed or amended ("Membership Obligations"). With respect to any particular Person for which the Board shall require their Membership Application be accompanied by a supplemental contract, executed by such Person on such form as is provided by the Cooperative, their Membership Application shall be accompanied by such supplemental contract.

The Membership Application shall be accompanied by any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction or executed supplemental contract, or any other fees that may be required by the Cooperative, which shall be refunded in the event the Membership Application is denied.

Upon complying with the requirements set forth in Article I of these Bylaws, any Person shall automatically become a Member ("Membership") on the date of their connection for Electric Service; PROVIDED, the Cooperative may reject or deny the Membership Application and refuse to Provide Electric Service, or to continue Service it has already begun Providing, if prior to connection it determines, or thereafter it discovers, that the Person applying for Membership is not willing or is not able to satisfy and abide by the "Membership Obligations" or that such Membership Application should be denied for good cause, including but not limited to the fact that Providing Electric Service to such Person would be or is in violation of one (1) or more of the Cooperative's service rules and regulations. PROVIDED, however, that any Person who Uses any Electric Service shall pay any applicable rates for such Service regardless of whether the Person has submitted a Membership Application or otherwise failed to comply with Membership Obligations.

If the Cooperative discovers that no Membership Application exists in the Cooperative's records for a Person who Uses Electric Service, then such Person shall submit a Membership Application regardless of whether or not such Person has previously submitted a Membership Application.

**SECTION 1.04. Joint Membership.** Two (2) or more Persons Occupying the same Location to or for which the Cooperative Provides or will Provide Electric Service may apply for a Joint Membership and, subject to their compliance with the Membership Obligations, may be accepted for such Membership ("Joint Membership"). The term "Member" as used in these Bylaws shall be deemed to include two (2) or more Persons holding a Joint Membership ("Joint Member(s)"), 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) notice of a meeting provided to one (1) Joint Member constitutes notice to all Joint Members;
- (b) waiver of notice of a meeting signed by one (1) Joint Member constitutes waiver of notice for all Joint Members;

- (c) the presence of one (1) or more Joint Members at a meeting constitutes the presence of one (1) Member at the meeting;
- (d) the presence of one (1) Joint Member at a meeting waives notice of the meeting for all Joint Members;
- (e) one (1) Joint Member present at a meeting may revoke a Mail Ballot previously mailed by the Joint Member;
- (f) if one (1) Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the Joint Membership and constitutes one (1) vote, signature, or action;
- (g) if more than one (1) Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the first vote, signature, or action received by the Cooperative binds the Joint Membership and constitutes one (1) vote, signature, or action;
- (h) the suspension or termination of a Joint Member may result in a conversion of the Joint Membership as set forth in Section 1.05; and
- (i) only one (1) Joint Member, who is an individual, may be Elected to serve as a Trustee.

Joint Members shall notify the Cooperative in writing of a failure to Occupy the same Location to or for which the Cooperative Provides or will Provide Electric Service.

**SECTION 1.05. Conversion of Membership.**

- (a) A Membership may be converted to a Joint or single Membership upon the written request of the holder or holders thereof and the agreement by the Persons who wish to become the Member or Members to comply with the Membership Obligations.
- (b) Upon the termination of any Joint Member, other than in accordance with Section 1.05(a) and 1.05(c), or the Cooperative determining or discovering the failure of Joint Members to Occupy the same Location to or for which the Cooperative Provides or will Provide Electric Service, then the Joint Membership shall be converted as determined by the Board in the Board's sole discretion.
- (c) Upon the death of any Person(s) who is a party to the Joint Membership, such Membership shall be held solely by the survivor(s). The estate of a deceased Member shall not be released from any debts due the Cooperative.

**SECTION 1.06. Fees, Deposits, and Contributions In Aid Of Construction.** Fees, deposits and contributions in aid of construction charged by the Cooperative shall be established in accordance with applicable law and/or as determined by the Board.



**SECTION 1.07. Purchase of Electric Energy.** Each Member shall, as soon as Electric Service shall be available, purchase from the Cooperative Electric Service Used at any Location, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board; provided, however, that the Board may limit the amount of Electric Service which the Cooperative shall be required to Provide to any Member. It is expressly understood that all amounts received and receivable by the Cooperative for the Provision of Electric Service, in excess of operating costs and expenses properly chargeable against the Providing of such Service are furnished by Members as capital ("Patronage 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 Service consumed, as shall be fixed by the Board from time to time. Each Member shall also pay all amounts owed by them to the Cooperative as and when the same shall become due and payable.

**SECTION 1.08. Provision of Electric Service.**

- (a) The Cooperative shall use reasonable diligence to Provide 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 Locations are owned or directly Occupied or Used by them shall purchase from the Cooperative all Electric Service for use on all Locations to which Electric Service has been Provided by the Cooperative pursuant to the Membership, unless and except to the extent that the Board may in writing waive such requirement.
- (b) Each Member shall cause all Locations receiving Electric Service pursuant to their Membership to become and to remain wired in accordance with the specifications of the then-current edition of the National Electric Code, of any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail. Each Member shall be responsible for such Location and all wiring and apparatuses connected thereto or Used therein; and shall indemnify and hold harmless the Cooperative and its employees, agents, and independent contractors against death, injury, loss, or damage, including reasonable attorneys' fees, resulting from any defect in improper Use or maintenance thereof. Each Member shall without charge make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the Providing and metering of Electric Service and shall permit the Cooperative's authorized employees, agents, and independent contractors to have access thereto safely and without interference from any hostile source, for meter reading and bill collecting and for connection, inspection, maintenance, replacement, relocation, repair, disconnection, or reconnection of such facilities at all reasonable times. As part of the consideration for 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 their best effort to prevent others from so doing. Each Member shall, at their own expense, also provide such protective devices to their premises, apparatuses, or meter base 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 its employees, agents, and independent contractors 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. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the Member for any overcharges for Service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for Providing Electric Service extend beyond the point of delivery.

**SECTION 1.09. Usage Information.** The Cooperative may measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of Electric Service Used by a Member, and other data or information regarding the Member's use of the Electric Service (collectively, "Usage Information"). The Cooperative may use, disclose, and transfer Usage Information if reasonably related to Providing Electric Service, if reasonably related to protecting against, or responding to, death, personal injury, or property damage, or if required by law.

**SECTION 1.10. Member Suspension.** To the extent permitted by law, the Cooperative may suspend a Member for the following reasons ("Suspension Reasons") and have no other obligation to the Member unless required by law or as is otherwise contained within these Bylaws:

- (a) as provided in the Membership Obligations;
- (b) as determined by the Board for good cause;
- (c) the Member is no longer qualified to be a Member;
- (d) the Member does not timely pay an undisputed amount due the Cooperative;
- (e) the Member violates or does not timely comply with the Membership Obligations;
- (f) the Member ceases Using Electric Service for an amount of time determined by the Board;  
or
- (g) the Member requests suspension.

Unless the Cooperative determines otherwise, a Member's suspension is lifted upon the Member rectifying the applicable Suspension Reason within the amount of time set forth in the suspension notice. The Cooperative may lift a Member suspension for good cause determined by the Board.

**SECTION 1.11. Member Termination.** Except as otherwise provided by the Board, after thirty (30) days, a suspended Member is terminated. Except as otherwise provided in these Bylaws, a Member is terminated upon:

- (a) the Member's death, legal dissolution, or legal cessation of existence;
- (b) the Member requesting termination; or
- (c) the Cooperative learning that the Member has permanently ceased Using Electric Service provided by the Cooperative.

Termination of a Member does not (1) release the Member or its estate from debts, liabilities, or obligations owed to the Cooperative; or (2) release the Cooperative from the obligation to retire and pay Patronage Capital to the former Member or obligations to the former Member regarding the Cooperative's dissolution.

Upon a Member's termination from the Cooperative, and after deducting amounts owed to the Cooperative, the Cooperative must return to the Member any security deposit or Membership fee, if any. Notwithstanding the suspension or termination of a Member, as provided for in Sections 1.10 and 1.11, such suspension or termination shall not, unless the Board shall expressly so elect, constitute release of such Person from the Membership Obligations as to entitle the Member to purchase from any other person any central station electric power and energy for use at the premises to which such Electric Service has theretofore been Provided by the Cooperative pursuant to such Membership. After the expulsion of a Member, the Member may not again become a Member except upon submitting a new Membership Application as provided in Section 1.03. The Board, 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. Notwithstanding any other provision of these Bylaws, the Cooperative may, forthwith and without prior notice, (a) disconnect a Member's Electric Service upon its determination that such is required because of the existence of an imminent hazard, in which event the Cooperative shall so inform the affected Member and shall reconnect such Service as soon as practicable after the hazard has been removed or corrected; or (b) disconnect a Member's Electric Service and expel the Member from Membership upon its determination that the electric meter has been bypassed or tampered with or that Electric Service is being utilized in the commission of a felonious crime.

**SECTION 1.12. Member to Grant Easements to Cooperative and to Obtain Permits/Licenses/Consents.**

Each Member shall, upon the Cooperative's request, obtain, execute, and/or deliver to the Cooperative grants of easement or rights-of-way over, across, on and/or under such lands owned or leased by or to, or mortgaged to, the Member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the Provision of Electric Service or other services Provided by the Cooperative to them or others or for the construction, operation, maintenance or relocation of the Cooperative's facilities. Members shall upon the Cooperative's request, obtain or procure any permits, licenses, consents, or other authorizations required for the Cooperative's Provision of Electric Service or other services. The cost and expense of obtaining, executing, delivering, and/or procuring any easements, rights-of-way, permits, licenses, consents, or other authorizations contemplated in this Section shall be the sole responsibility/obligation of the applicable Member(s). If any Member fails to obtain, execute, deliver, and/or procure grants of easement or rights-of-way, permits, licenses, consents, or other authorizations requested by the Cooperative pursuant to this Section 1.12, then such Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any and all liabilities, damages, costs, or expenses incurred by the

Cooperative, a Cooperative subsidiary, or by a Cooperative Official (as hereinafter defined) resulting from, arising out of, or in any way related to, such failure by the Member.

**SECTION 1.13. Member to Participate in Required Cooperative Load Management Programs.** Each Member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, to more efficiently utilize or conserve electric energy, or to conduct electric load research.

**SECTION 1.14. Member Indemnification of Cooperative and Cooperative Official.** As requested by the Cooperative, a Member or Members shall indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative Trustee, Officer, employee, agent, or representative ("Cooperative Official"), and caused by the negligence, gross negligence, or willful misconduct of the Member or a non-Member Occupying the same Location as the Member, by the unsafe or defective condition of a Location Occupied by the Member, or any Member's failure to comply with any Membership Obligations arising hereunder.

## **ARTICLE II MEETINGS OF MEMBERS**

**SECTION 2.01. Annual and Regular Member Meetings.** Within the service area of the Cooperative, the Cooperative: (a) shall annually hold a meeting of Members ("Annual Member Meeting"); and (b) may regularly hold meetings of Members ("Regular Member Meetings"). Notwithstanding the foregoing, to the extent authorized by the Board, however, and subject to guidelines and procedures adopted by the Board, an Annual or Regular Member Meeting may be held without a geographic location if the Meeting is held through the Internet or other electronic communications technology in a manner: (1) permitting the Cooperative to verify that each Person participating in the Meeting is a Member; and (2) permitting Members the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the Members, and otherwise participate in any such Meetings as permitted in accordance with these Bylaws. If the election of Trustees shall not be held on the day designated for an Annual Member Meeting or an adjourned Annual Member Meeting, the Board may cause the election to be held at a subsequent meeting of the Members, which may be a Special Member Meeting or the next applicable Annual Member Meeting.

The Board shall determine the date, time, and location or manner of an Annual or Regular Member Meeting. Unless the Board determines otherwise, the President or the President's designee presides over the Annual or Regular Member Meeting. The Cooperative's failure to hold an Annual or Regular Member Meeting at a pre-determined time and place shall not affect any action taken by the Cooperative and shall not work a forfeiture or dissolution of the Cooperative.

**SECTION 2.02. Special Member Meetings.** Within the service area of the Cooperative, the Cooperative shall hold a special meeting of Members ("Special Member Meeting") upon receiving:

- (a) a written or oral request from the Board or President;

- (b) one or more written requests signed by at least three (3) Trustees; or
- (c) one or more written demands signed and dated within thirty (30) days after the first signature by at least ten percent (10%) of the total number of unsuspended Members ("Total Membership"), with each page of each written demand requesting and describing the purpose of the meeting ("Member Demand").

Notwithstanding the foregoing, a Special Member Meeting does not need to be held at a geographic location if the Meeting is held through the Internet or other electronic communications technology in a manner permitting Members the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the Members, and otherwise participate in any such meetings as permitted in accordance with these Bylaws.

The Board shall determine the date, time, and location or manner of a Special Member Meeting. Unless the Board determines otherwise, the President or the President's designee presides over the Special Member Meeting.

**SECTION 2.03. Notice of Member Meetings.** Written or printed notice of the date, time, and location or manner (if held without a geographic location) of the Annual or Regular Meetings and, in the case of a Special Member Meeting or of an Annual Member Meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall, except as otherwise provided by applicable law, be delivered to each Member not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting, by any reasonable means, including but not limited to, the United States mail, personal delivery, the Cooperative's monthly newsletter, Member service billings, or any means otherwise permitted under applicable law. No proposal, the adoption or approval of which, as provided by law or these Bylaws, requires the affirmative votes of more than a majority of the Members voting thereon shall be acted upon at any meeting of the Members unless notice of such matter shall be contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, and addressed to the Member at the Member's address as it appears on the records of the Cooperative, with postage thereon prepaid and, whether mailed first-class or not, postmarked at least ten (10) days prior to the meeting date. The incidental and non-intended failure of any Member to receive such notice shall not invalidate any action which may be taken by Members at any such meeting if the Member attends the meeting. 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 on the ground that the meeting shall not have been lawfully called or convened or on some other lawful ground; but such objection shall be in writing and delivered to the Secretary prior to or at the beginning of the meeting.

**SECTION 2.04. Quorum.**

- (a) Except as otherwise provided in this Section 2.04 or by applicable law, business may be transacted at any meeting of the Members if there are present in person or by Mail Ballot at least five percent (5%) of the Total Membership or the minimum amount required by applicable law, whichever is less.

- (b) The Members may not vote on a proposal to sell, lease as lessor, lease-sell, transfer, convey, exchange or otherwise dispose of all or a substantial portion of the Cooperative's properties and assets, to dissolve the Cooperative, or on a question of removing a Trustee from office or to fill any vacancy that may thereby be created, unless there are present in person or by Mail Ballot at least ten percent (10%) of the Total Membership; PROVIDED, subsection (a) shall apply if the question is whether to merge or consolidate the Cooperative with one or more other electric cooperatives.
- (c) If less than the required quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date; PROVIDED, the Secretary shall notify all Members of the time, date and place or manner of such adjourned meeting by delivering notice thereof as provided in Section 2.03. At all meetings of the Members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those Members who were registered as present.

**SECTION 2.05. Member Voting by Mail Ballot.** If the Board exercises the option to proceed with Mail Ballots for voting at any given Member Meeting, a Member may vote or act by mail only as provided in these Bylaws (to the extent permitted by applicable law) and in a manner determined by the Board.

- (a) Mail Ballot With Member Meeting ("Mail Ballot"). A Member may vote or act by mail on any matter in conjunction with a meeting of the Members upon the Cooperative delivering or providing access to a written Mail Ballot to each Member entitled to vote on the matter. A Member submitting a completed Mail Ballot may revoke the ballot and vote at the meeting regarding a matter described in the Mail Ballot. The Cooperative may count completed Mail Ballots received before the meeting in determining whether the required quorum exists at the meeting. The Cooperative must count as a Member's vote a properly completed Mail Ballot received on, or before, the time and date stated in the Mail Ballot. As determined by the Board, the Cooperative may require that all votes be cast, or action be taken, by completed Mail Ballot which is submitted before the meeting.
- (b) Mail Ballot. A Mail Ballot must:
  - (1) set forth and describe a proposed action, identify a Trustee candidate, and include the language of a motion, resolution, Bylaw Amendment, or other written statement, upon which a Member is requested to vote or act;
  - (2) state the date of a meeting at which Members are scheduled to vote or act on the matter;
  - (3) provide an opportunity to vote for or against, or to abstain from voting on, the matter;
  - (4) instruct the Member how to complete, return, or cast the Mail Ballot; and
  - (5) state the time and date by which the Cooperative must receive the completed Mail Ballot.

Except as otherwise provided in these Bylaws or by the Board, a Member may not revoke a completed Mail Ballot received by the Cooperative. A Member's failure to receive a Mail Ballot does not affect a vote or action of/by another Member taken by Mail Ballot. A Mail Ballot may not be procured or cast through fraud or other improper means. As determined by the Credentials and Election Committee, a Mail Ballot procured or cast through fraud or other improper means shall be invalid.

**SECTION 2.06. Member Voting.** If a Member presents identification or proof of Cooperative Membership as reasonably required by the Cooperative, and if the Member is not suspended on the Record Date and remains unsuspended after the Record Date, then, regardless of the value or quantity of Electric Service Used, the Member may cast one (1) vote on a matter for which the Member is entitled to vote. To vote for an Entity Member, an individual must present evidence, as requested by and satisfactory to the Cooperative, that the individual is authorized to vote for the Entity Member.

"Record Date" is the date for determining the Total Membership and the Members entitled to:

- (a) sign a Member petition, request, demand, consent, appointment, or similar document;
- (b) receive a ballot, notice of a meeting of the Members, or similar document; or
- (c) vote or otherwise act.

If a Member is suspended on or after the Record Date, then the Member may not sign a document, receive a document, or vote or otherwise act. The Board may set the Record Date in its sole discretion.

Except as otherwise provided in these Bylaws, Members approve a matter if: (1) the required quorum is present in person or submitting Mail Ballots; and (2) a majority of Members voting in person or by Mail Ballot, who are entitled to vote on the matter, vote in favor of the matter.

**SECTION 2.07. Credentials and Election Committee.** The Board shall, not less than fifteen (15) days before any Annual Member Meeting, appoint a Credentials and Election Committee. The Board may also appoint a Credentials and Election Committee before any other meeting of the Members. The Committee shall consist of an uneven number of Members not less than three (3) nor more than nine (9) who are not existing Cooperative Officials or known candidates for Trustee, and who are not Close Relatives (as hereinafter defined) or members of the same household of any such person. In appointing the Committee, the Board shall consider the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary, the latter of who may be a Cooperative employee at its first meeting. For Annual Member Meetings and District Meetings, the Committee shall be responsible for establishing or approving, the manner of conducting Member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of Members (as individuals or as Entity Member delegates) present in person or submitting Mail Ballots (as applicable), to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to Member voting and the election of Trustees (including but not limited to the qualifications of candidates nominated from the floor as provided under Sections 3.06 and 3.08, the regularity of such nominations and

the election of Trustees), and to pass upon any protest or objection filed with respect to any election of Trustees or any other action at the meeting. In the exercise of its responsibilities, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a Member has a protest or objection, it shall be filed in writing with the Committee during, or within the ten (10) business days following the adjournment of, the applicable meeting. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than fourteen (14) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm an election, any other voting or any other action taken or procedure followed, to change the outcome thereof or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final, except as may thereafter be changed by a court having jurisdiction for such purpose.

**SECTION 2.08. Member Waiver of Notice.** In a manner determined by the Board, a Member may waive notice of a meeting of the Members, or of a matter to be considered or voted or acted upon, at a meeting of the Members, by signing and delivering to the Cooperative a written or electronic waiver of notice either before the meeting of the Members or within fifteen (15) days after the meeting. Unless a Member objects to holding a meeting of the Members, or to transacting business at the meeting of the Members, the Member's attendance in person or voting by Mail Ballot on a matter considered at the meeting waives the Member's objection to lack of notice, or to defective notice, of the meeting. Unless a Member objects to considering, or voting or acting upon, a matter at a meeting, the Member's attendance in person or voting by Mail Ballot on the matter considered at the meeting waives the Member's objection to considering, or voting or acting upon, the matter at the meeting.

**SECTION 2.09. Order of Business.** The order of business at all meetings of the Members shall be as determined by the Board.

### **ARTICLE III TRUSTEES**

**SECTION 3.01. Number and General Powers.** The business and affairs of the Cooperative shall be managed by the Board of Trustees ("Board"), which shall consist of nine (9) Trustees, with each Trustee being an individual and not an Entity (or individual acting on behalf of an Entity) ("Trustee(s)"). The Board shall exercise all powers of the Cooperative except such powers which are conferred upon or reserved to the Members by law, the Cooperative's Articles of Incorporation, or Bylaws. If these Bylaws, any other governing document of the Cooperative, or applicable law authorizes a Person to exercise a power that the Board would otherwise exercise, the Person exercising the power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

**SECTION 3.02. Qualifications.** No person shall be eligible to become or remain a Trustee of the Cooperative who:



- (a) while serving on the Board or during the five (5) years preceding nomination thereto shall have been finally adjudged to be guilty of a felony;
- (b) is, becomes, or within the last five (5) years has been employed by the Cooperative, a Cooperative subsidiary, or a labor union which represents, or has represented, or has endeavored to represent any Cooperative employees;
- (c) is, and if elected and seated as a Trustee will continue to be, a Close Relative of an incumbent Trustee or Cooperative employee;
- (d) has not continuously been, for at least one (1) year prior to nomination, or who ceases after election to be, a Member in good standing of the Cooperative, receiving Electric Service at a permanent and year-round residence which is the Member's primary residential abode in the Trustee District from which the Member is elected; or
- (e) is not at least eighteen (18) years old; or
- (f) while a Trustee, and during the one (1) year immediately before becoming a Trustee, is or was employed by, controlled, owned more than ten percent (10%) of, served as a trustee, director, or officer of, or received more than ten percent (10%) of annual gross income from an Entity that advances the Entity's financial interest by: (1) competing with the Cooperative or a Cooperative subsidiary; or (2) providing electric energy or a good or service related to providing electric energy; PROVIDED, however, that a Trustee shall be permitted to serve as a director or Trustee of such an Entity on the Cooperative's behalf.

Notwithstanding the Close Relative restrictions/prohibitions in Section 3.02(c), no incumbent Trustee shall lose eligibility to remain a Trustee or to be re-elected a Trustee if, during incumbency, the Trustee becomes a Close Relative of another incumbent Trustee or of a Cooperative employee because of a marriage or an adoption to which the Trustee was not a party.

Upon establishment of the fact that a nominee for Trustee lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board (or a Board-authorized representative) to disqualify the nominee. Upon the establishment of the fact that any Person being considered for, or already serving as, a Cooperative Trustee lacks eligibility under this Section, it shall be the duty of the Board (or a Board-authorized representative) to withhold such position from such person or to cause such person to be removed therefrom, as applicable. A Trustee's office shall automatically become vacant if the Trustee is absent from three (3) consecutive regular Board meetings, unless the remaining Trustees resolve that there was good cause for such absences. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

**SECTION 3.03. Election.** At each Annual Member Meeting, Members shall elect Trustees by secret written or secret electronic ballot; PROVIDED, when the number of nominees does not exceed the number of Trustees to be elected from a particular Trustee District, and if there is no objection, secret written or

electronic balloting may be dispensed with for that particular election and voting may be conducted in any other manner. The candidates receiving the highest number of valid votes cast shall be elected. If Trustee Candidates from any District receive the same number of votes (tie votes), the winner shall be determined by drawing of lots.

**SECTION 3.04. Tenure.** The term for which the Trustees shall be elected shall be for a period of three (3) years. Three (3) Trustees shall be elected from Trustee Districts designated by the Board pursuant to Section 3.05. Subject to Trustee removal provisions contained herein, upon election, Trustees shall serve until their successors shall be qualified and elected. If an election of Trustees shall not be held at an Annual Member Meeting duly fixed and called pursuant to these Bylaws, then such failure to hold an election shall entitle an incumbent whose Trusteeship would have been voted on had such election been held to hold over for another three (3) year term as Trustee.

**SECTION 3.05. Trustee Districts.**

- (a) The territory served by the Cooperative shall be divided into nine (9) districts ("District(s)" or "Trustee District(s)"), which are shown on an official map thereof that is maintained in the Cooperative's principal office and is available for review by the Members during the Cooperative's normal business hours.
  
- (b) Every odd year, the Board, not less than ninety (90) days prior to the earliest date on which the Annual Member Meeting may be scheduled pursuant to these Bylaws to be held, shall review the Districts and Trusteeships. If the Board determines that the boundaries of Districts should be altered so as to correct any substantially inequitable factors regarding the residence of Members or the geographic location of Districts, the Board shall amend these Bylaws accordingly. The Board shall cause all such amendments to be noticed in writing precisely to the Members in the affected District no less than ten (10) days prior to the date on which the first District Meeting is scheduled to be held for the purpose of nominating individuals to stand for election to the Board of Trustees in accordance with the provisions of Section 3.06 of these Bylaws. From and after the date of such notice, these Bylaws shall have been effectively amended accordingly; and any change so made by action of the Board shall be in full force and effect until at least the completion of the election of Trustees at the Annual Member Meeting first thereafter held. No such change, whether made by the Board or by the Members, shall become effective so as to expand an incumbent Trustee's existing term or, unless made solely by the Board and such Trustee consents thereto in writing, so as to compel the vacancy of any Trustee's office prior to the time such Trustee's term would otherwise normally expire.

**SECTION 3.06. Nominations.** The Board shall call, not less than thirty (30) nor more than ninety (90) days prior to the date of an Annual Member Meeting at which Trustees are to be elected, a District Meeting of the Members in each Trustee District ("District Meeting") in which a Trustee's term is about to expire for the purpose of nominating no more than two (2) candidates to stand for election of Trustee in accordance with the applicable Bylaw provisions herein. District Meeting Notices shall be given to each Trustee District

Member; PROVIDED, if a Member has active Electric Service connections in more than one (1) Trustee District, the Member shall receive notice of the Trustee District Meeting in which the Member's primary residential abode is located; PROVIDED, in the event a Member has active Electric Service connections in more than one (1) District, but does not receive Electric Service from the Cooperative at the Member's primary residential abode, then the Member shall receive notice of the Trustee District Meeting at the Member's Location which reflects the highest Usage of Electric Service on an annual basis, unless the Member in writing notifies the Cooperative of a desire to receive notice of and to vote at another Trustee District Meeting in which the Member has an active Electric Service connection. District Meeting Notices shall be made as provided in Section 2.03 of these Bylaws. Any Member desiring to be nominated as a Trustee candidate from the District of their primary residence, shall file with the Cooperative written notice, on a form provided by the Cooperative, of their candidacy and intention to seek nomination for the office of Trustee from their District at such time as the Board may designate as the official filing period. Only Members filing such written notice of candidacy and intention to seek nomination shall be eligible for nomination at the applicable District Meeting. If no Member files such notice of candidacy and intention to seek nomination during the official filing period, then the office shall be declared vacant by the Board at their next regular meeting and said office shall be filled in accordance with the provisions of Article III, Section 3.10 of these Bylaws. Any Member desiring to seek nomination for Trustee from their District must file said notice of candidacy during the filing period inside the Cooperative's principal office, with the General Manager/Chief Executive Officer or the designee, during regular business hours. The filing period shall officially close at 4:00 p.m. on the last day of said designated filing period.

The order of business for District Meetings shall be determined by the Board. The Credentials and Election Committee shall dictate the Trustee Candidate nomination procedure. Fifteen (15) Members of the District, present in person, shall constitute a quorum. Members of other Districts present at the District meeting shall have no vote on any matter of business, including the nominations of candidates for Trustee. Nominees must meet the qualifications for Trustees as contained in Section 3.02 of these Bylaws and must have filed written notice of candidacy as set forth in this Section.

Voting on candidates shall be in accordance with the provisions of Sections 3.03 and 3.07 of these Bylaws; PROVIDED, no Member at any District Meeting shall vote by proxy or by mail. Each Member eligible to vote may vote for only one (1) candidate. The two (2) candidates receiving the highest number of votes shall be declared the official candidates of the District. Tie votes shall be resolved by the drawing of lots. All District Meeting minutes shall set forth, among other matters, the name of each person nominated at the meeting, the number of votes received by each nominee, and shall specify the one (1) or two (2) official candidates of the District. A certified copy of the District Meeting minutes, signed by the secretary and the chairman of the District Meeting, (as determined by the Board) shall be delivered to the Cooperative Secretary within five (5) days after the adjournment of the District Meeting.

**SECTION 3.07. Voting for Trustees; Validity of Board Action.** In the election of Trustees, each Member shall be entitled to vote for one (1) candidate from or with respect to each of the Trustee Districts from which Trustees are to be elected. Ballots marked in violation of the foregoing restriction shall be invalid and shall not be counted with respect to the affected Trustee District. Notwithstanding the provisions contained

in this Section and in Section 3.06, failure to comply with any such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board after the election of Trustees.

**SECTION 3.08. Removal of Trustees by Members.** Any Member may bring one (1) or more charges for cause against any one (1) or more Trustees, and may request the removal of such Trustee(s) by reason thereof by filing with the Secretary, or with the President if removal of the Secretary is being requested, such charge(s) in writing together with a petition, signed by not less than ten percent (10%) of the Total Membership, which petition calls for a Special Member Meeting, the stated purpose of which shall be to hear and act upon such charge(s) and, if one (1) or more Trustees are recalled, to elect their successor(s), and which specifies the place, time and date thereof within not less than forty-five (45) days after the filing of such petition or requests that the matter be acted upon at the next Annual Member Meeting if the same will be held no sooner than ninety (90) days after such petition is filed. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the Member(s) filing such charge(s), and a verbatim statement of such charge(s) being made. The petition shall be signed by each Member in the same name as the Member is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the Trustee(s) against whom the charge(s) have been made and of the Member(s) filing the charge(s) shall be contained in or accompany the notice of the meeting to the Members not less than ten (10) nor more than twenty-five (25) days prior to the Member meeting at which the matter will be acted upon; PROVIDED, the notice shall set forth (by random selection but otherwise in alphabetical order) only twenty (20) of the names and addresses of the charging Members if more than twenty (20) Members file the same charge(s) against the same Trustee(s). Such Trustee(s) shall be informed in writing of the charges after they have been validly filed and at least thirty-five (35) days prior to the meeting of the Members at which the charge(s) are to be considered, shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s), and shall be heard last; and the Member(s) bringing the charge(s) shall have the same opportunity, and shall be heard first. The question of the removal of such Trustee(s) shall, separately for each if more than one (1) has been charged, be considered and voted upon at such meeting. Any vacancy created by such removal shall be filled by the affirmative votes of a majority of the votes cast at such meeting, without compliance with the foregoing provisions with respect to pre-meeting nominations, and nominations shall be made from the floor; PROVIDED, the question of the removal of a Trustee shall not be voted upon at all unless some evidence in support of the charge(s) against the Trustee shall have been presented during the meeting; AND PROVIDED FURTHER, a charge that a Trustee has in a lawful manner opposed or resisted any effort to sell, lease-sell, transfer, exchange, convey or otherwise dispose of all or a substantial portion of the Cooperative's properties and assets or to dissolve the Cooperative shall not constitute a "charge for cause" on a basis of which a Trustee may be removed from office under this Section. A newly elected Trustee shall be from the same Trustee District as was the Trustee whose office the Trustee succeeds and shall serve the unexpired portion of the removed Trustee's term.

**SECTION 3.09. Trustee Resignation.** A Trustee may resign at any time. To resign, a Trustee must sign and deliver a written or electronic notice of resignation to the Board, President, or Secretary. Except as a later date is otherwise provided in a written or electronic notice of resignation, a Trustee's resignation is effective when the Board, President, or Secretary receives the written or electronic notice of resignation. If a Trustee's resignation is effective at a later date, and if the successor Trustee does not take office until the effective

date of the Trustee's resignation, then the pending Trustee vacancy may be filled before the effective date of the Trustee's resignation.

**SECTION 3.10. Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Trustees by the Members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Trustees. A Trustee thus elected shall serve out the unexpired term of the Trustee whose office was originally vacated and until a successor is elected and qualified; PROVIDED, such a Trustee shall be from the same Trustee District as was the Trustee's predecessor.

**SECTION 3.11. Compensation; Expenses.**

- (a) Trustees shall not receive a salary for their services as such. However, subject to subsection (b) below and as determined by policy adopted by the Board, Trustees may receive a fee, which may include insurance benefits, for each day during which they attend meetings or otherwise perform duties on behalf of the Cooperative. Fees for otherwise performing their duties need not be the same as for attending meetings of the Board.
- (b) For attending such meetings and in otherwise performing duties pursuant to authorization thereof by the Board, Trustees shall be advanced or reimbursed their related expenses actually, necessarily and reasonably incurred and expended by them, in accordance with the same policy established by the Board for advancement or reimbursement of expenses for Cooperative employees, except that use of personal automobiles may be treated differently.
- (c) Subject to any other provision in these Bylaws, no Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any Close Relative of a Trustee receive compensation for serving the Cooperative in a full-time position, except that (1) a Trustee who is an officer of the Cooperative, or who is a Trustee, officer or committee Member of or a delegate to an organization of which the Cooperative is a Member or stockholder, and who as such performs substantial additional duties on behalf of the Cooperative, may be paid such compensation therefore, on a per diem basis, as is authorized by the remaining Trustees, and (2) a Trustee or Close Relative of a Trustee may be paid such compensation as is authorized by the Board upon its certification of such as a temporary emergency measure.

**SECTION 3.12. Rules, Regulations, Rate Schedules and Contracts.** The Board shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the business and affairs of the Cooperative.

**SECTION 3.13. Accounting System and Reports.** The Board shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, 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 summary of such audit reports shall be submitted to the Members at or prior to the succeeding Annual Member Meeting. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

**SECTION 3.14. Subscription to the Cooperative Newsletter and to the Statewide Publication.** For the purpose of disseminating information devoted to the economical, effective and conservative Use of Electric Service, the Board shall be empowered, on behalf of and for circulation to the Members periodically, to subscribe to the Cooperative's newsletter, the annual subscription price will be set annually by the Board, and which 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 Cooperative expense. The Board shall also be empowered, on behalf of and for circulation to the Members periodically, to subscribe to the statewide publication, or any successor publication, with the annual subscription prices of such publication being deducted from any funds accruing in favor of such Members so as to reduce such funds in the same manner as would any other Cooperative expense.

**SECTION 3.15. Close Relative.** The term "Close Relative" means an individual who through blood, law, or marriage, is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

An individual qualified, elected, designated, and/or appointed to the Credentials and Election Committee or as Trustee does not become a Close Relative while serving in said positions because of a marriage or legal action to which the individual was not a party.

#### **ARTICLE IV MEETINGS OF TRUSTEES**

**SECTION 4.01. Regular Meetings.** A regular meeting of the Board shall be held, without notice, immediately after the adjournment of the Annual Member Meeting, or as soon thereafter as conveniently may be, at such place as designated by the Board in advance of the Annual Member Meeting. A regular meeting of the Board shall also be held monthly at such date, time and place as the Board may provide by resolution. Meetings may also be held via telephone conference call, Internet, or other electronic communications technology without regard to the actual geographic location of the Trustees at the time of such a remote meeting, if all the Trustees consent thereto. Also, if no other Trustee objects, a Trustee may attend and participate in a Board meeting by being continuously connected thereto by telephone, Internet, or other electronic communications technology in such a manner that they may communicate with all others present.

The regular monthly meetings may be held without notice other than such resolution fixing the date, time, and place thereof, except when business to be transacted thereat shall require special notice; PROVIDED, any Trustee absent from any Board meeting at which such a resolution initially determines or makes any

change in the date, time, or place of a regular meeting shall be entitled to receive written notice of such determination or change at least three (3) days prior to the next Board meeting; AND PROVIDED FURTHER, if a policy therefore is 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 three (3) days' notice thereof to all Trustees.

**SECTION 4.02. Special Meetings.** Special meetings of the Board may be called by Board resolution, by the President, or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 4.03. The Board, the President, or the Trustees calling the meeting shall fix the date, time, and place for the meeting, which shall be held in one of the counties in Oklahoma within which the Cooperative serves, unless all Trustees consent to its being held in some other place in Oklahoma or elsewhere. Special meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, Internet, or other electronic communications technology without regard to the actual geographic location of the Trustees at the time of such a remote meeting, if all the Trustees consent thereto. Also, if no other Trustee objects, a Trustee may attend and participate in a Board meeting by being continuously connected thereto by telephone, Internet, or other electronic communications technology in such a manner that they may communicate with all others present.

**SECTION 4.03. Notice of Special Board Meetings.** Written or electronic notice of the date, time, place or manner, and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each Trustee not less than three (3) days prior thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by the President or by the Trustees calling it in the case of a special meeting or by any Trustee in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Trustee at the Trustee's address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least three (3) days prior to the meeting date. The attendance of a Trustee 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 or more items of business, on the ground that the meeting shall not have been lawfully called or convened, or on some other lawful ground.

**SECTION 4.04. Waiver of Board Meeting Notice.** At any time, a Trustee may waive notice of a Board meeting by delivering to the Cooperative a written or electronic waiver of notice signed by the Trustee and later filed with the Board meeting minutes or the Cooperative's records. A Trustee's attendance at, or participation in, a Board meeting waives notice of the Board meeting and any matter considered at the Board meeting, unless the Trustee: (a) at the beginning of the Board meeting, objects to lack of, or defective, notice of the Board meeting or a matter being considered at the Board meeting; and (b) does not vote for, or assent to, an objected matter.

**SECTION 4.05. Board Action by Written Consent.** Without a Board Meeting, the Board may take an action required or permitted to be taken at a Board meeting if the action is: (a) taken by all Trustees; and (b) evidenced by one (1) or more written or electronic consents ("Trustee Written Consent"): (1) describing the action taken; (2) signed by each Trustee; (3) delivered to the Cooperative; and (4) included with the

Cooperative's Board meeting minutes. Action taken by Trustee Written Consent is effective when all Trustees sign the Trustee Written Consent or as otherwise indicated in said Trustee Written Consent. A Trustee Written Consent has the same force and effect as a Board meeting vote.

**SECTION 4.06. Quorum.** The presence in person, or by telephone, Internet, or other electronic communications technology of a majority of the Trustees in office shall be required for the transaction of business, and, except as otherwise provided in these Bylaws, the affirmative votes of a majority of the Trustees present and voting shall be required for any action to be taken; PROVIDED, a Trustee 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 Trustees in office or present; AND PROVIDED FURTHER, if less than a quorum be present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time, but shall cause all Trustees to be duly and timely notified of the date, time and place or manner of such adjourned meeting.

## **ARTICLE V OFFICERS; MISCELLANEOUS**

**SECTION 5.01. 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. The offices of Secretary and Treasurer may be held by the same person.

**SECTION 5.02. Election and Term of Office.** The officers named in Section 5.01 shall be elected by secret written or electronic ballot, annually and without prior nomination, by and from the Board at the first Board meeting held after each Annual Member Meeting. Election shall require the affirmative votes of the majority of Trustees in office. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as may be convenient. Each such officer shall hold office until the first Board meeting following the next succeeding Annual Member Meeting or until their successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Trustees by the Members and to the removal of officers by the Board. Any other officers may be elected by the Board from among such Persons, and with such title, tenure, responsibility and authority, as the Board may from time to time deem necessary or advisable.

**SECTION 5.03. Removal.** Any officer, agent, or employee elected or appointed by the Board may be removed by a majority vote of the Board whenever, in its judgment, the best interests of the Cooperative will be served thereby. No Person shall continue to hold an office named in Section 5.01 after they shall have ceased to be a Trustee.

**SECTION 5.04. Vacancies.** A vacancy in any office elected or appointed by the Board shall be filled by the Board for the unexpired portion of the term.



**SECTION 5.05. President.** The President shall:

- (a) be the principal executive officer of the Board and shall preside at all meetings of the Board, and, unless determined otherwise by the Board, at all meetings of the Members;
- (b) sign any document properly authorized or approved by the Board or Members to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**SECTION 5.06. 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. The Vice President shall also perform such other duties as from time to time may be assigned by the Board.

**SECTION 5.07. Secretary.** Except as otherwise provided by the Board or these Bylaws, the Secretary:

- (a) shall be responsible for preparing, or supervising the preparation of, minutes of Board and Member Meetings
- (b) shall be responsible for maintaining and authenticating the Cooperative's records;
- (c) may affix the Cooperative's seal to a document authorized or approved by the Board or Members; and
- (d) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION 5.08. Treasurer.** Except as otherwise provided by the Board or these Bylaws, the Treasurer:

- (a) Shall be responsible for the receipt and issuance of receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected by the Board or by the General Manager pursuant to delegation of such authority by the Board; and
- (b) 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.

**SECTION 5.09. Delegation of Secretary's and Treasurer's Responsibilities; Facsimile/Electronic Signatures.** Notwithstanding the duties, responsibilities and authorities of the officers hereinbefore provided, the Board 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 Cooperative officers, or employees who are not Trustees. If the Board does delegate such duties, responsibilities and authorities with respect to any such officer, then

that officer shall be released therefrom. Any documents requiring the signature of any officer may be affixed with the officer's facsimile signature, unless manuscript signature is required by or would constitute negligence.

**SECTION 5.10. General Manager/Chief Executive Officer.** The Board shall appoint a General Manager/Chief Executive Officer who may be a Cooperative Member. The General Manager/Chief Executive Officer shall perform such duties and shall have such authority as the Board may from time to time require or determine. The Board shall set forth and maintain, and shall from time to time review and appropriately revise, a written description of such duties and authority.

**SECTION 5.11. Bonds.** At the Cooperative's expense, the Cooperative may purchase a bond covering a Cooperative Official.

**SECTION 5.12. Compensation.** Except as otherwise provided by the Board or these Bylaws, the Cooperative may reasonably compensate, reimburse, and/or provide insurance or other benefits for an officer.

**SECTION 5.13. Indemnification; Insurance.** The Cooperative shall indemnify and hold harmless its past and present Cooperative Officials against liability and related costs, including reasonable attorneys' fees, resulting from or in connection with any act or omission of a Cooperative Official while such Official is/was discharging duties within the scope of the Official's Cooperative-specific authority to the maximum extent allowed by law; and the Cooperative may purchase insurance to cover such indemnification.

**SECTION 5.14. Insurance.** Regardless of indemnification authority or requirement, the Cooperative may purchase and maintain insurance on behalf of an individual who is or was a Cooperative Official. This insurance is against a liability, including judgment, settlement, or otherwise, or reasonable expenses, including reasonable attorney fees, asserted against or incurred by the Cooperative or the individual in their individual capacity, or arising from the individual's status, as a Cooperative Official.

## **ARTICLE VI CONTRACTS, CHECKS, AND DEPOSITS**

**SECTION 6.01. Contracts.** Except as otherwise provided by law or these Bylaws, the Board 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 6.02. Checks, Drafts, etc.** All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness, issued in the name of the Cooperative, shall be signed 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 of the Board.

**SECTION 6.03. Deposits; Investments.** All funds received by the Cooperative 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 determined by the Board.

## **ARTICLE VII NON-PROFIT OPERATION**

**SECTION 7.01. Interest or Dividends on Capital Prohibited.** The Cooperative: (a) shall operate without profit to its Members and on a cooperative basis for mutual benefit of all Members; and (b) may not pay interest or dividends on capital furnished by its Members.

**SECTION 7.02. Patronage Capital in Connection with Providing Electric Service.** In the Providing of Electric Service, the Cooperative's operations shall be so conducted that all Members will through their patronage furnish Patronage Capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all Members for all amounts received and receivable from the Provision of Electric Service, in excess of operating costs and expenses properly chargeable against the Provision of such Service. All such amounts in excess of operating costs and expenses are received with the understanding that they are furnished as capital. The Cooperative is obligated to record and maintain all capital accounts for each Member of such amounts. The books and records of the Cooperative shall be maintained in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished is clearly reflected and recorded to the capital account of each Member, and the Cooperative shall, within a reasonable time after the close of the fiscal year, make available upon request a report as to the amount of capital so credited. All such amounts credited to the capital account of a Member shall have the same status as though they had been paid to the Member in pursuance of a legal obligation and the Member had then furnished the Cooperative corresponding amounts for capital.

If the Board determines that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to Members' accounts may be retired in full or in part. The Board shall determine the method, basis, priority, and order of retirement, if any, for all amounts furnished as capital. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding Patronage Capital shall be retired and paid without priority on a pro-rata basis before any payments are made on account of Members' property rights. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to Members' accounts may be retired and paid in full or in part.

Notwithstanding any other provisions of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any Member, who was a natural person, if the legal representatives of the Member's estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire such capital immediately upon such terms and conditions as the Board, acting under policies of general application, and such legal representatives, shall agree upon; PROVIDED, however, the financial condition of the Cooperative will not be impaired hereby.

Regardless of a statute of limitation or other time limitation, the Cooperative may recoup, offset, or setoff an amount owed to the Cooperative by the Member or former Member, including any compounded interest and late payment fee, by reducing the amount of Patronage Capital to be repaid to the Member or former Member by the amount owed to the Cooperative.

**SECTION 7.03. Carry Over of Losses to Future Years.** No allocations will be made to Members' accounts should the annual determination demonstrate that amounts received from the Provision of Electric Service were less than operating expenses properly chargeable against the Provision of such Services. The amount by which such expenses exceed such revenues in any annual determination shall be carried forward to the next fiscal year and be used as expenses in the determination of the amount of Patronage Capital assignable to individual Members' accounts for that year.

## **ARTICLE VIII WAIVER OF NOTICE**

Any Member or Trustee may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

## **ARTICLE IX DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION**

### **SECTION 9.01. Disposition and Pledging of Property.**

- (a) The Members may authorize any sale, lease-sale, exchange, conveyance, transfer or other disposition of 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, and the Board may authorize the pledging of such properties and assets as securities, all as provided in Section 437.20 of the Rural Electric Cooperative Act. Not inconsistently with that section, the Board may authorize any sale, lease, lease-sale, exchange, conveyance, transfer or other disposition of less than a substantial portion (ten percent (10%)) or more of the fair market value of the Cooperative's total properties and assets) of the Cooperative's properties and assets and any property or merchandise no longer necessary or useful for the Cooperative's operation.
- (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 such a sale, lease, lease- sale, exchange, conveyance, transfer or disposition of all or a substantial portion of the Cooperative's properties and assets ("Transaction"):
  - (1) If the Board looks with favor upon any proposal for any such transaction, it shall first appoint three (3) persons each of whom or which is independent of the

Cooperative and of the other two (2) and is expert in electric utility property evaluations, and commission them, separately, to study, appraise and evaluate such assets and properties, including their going concern value and the values associated with the right of the Members to participate in the ownership and control of the Cooperative. Such appraisers shall be instructed to and shall take into account any other factors they may deem relevant in determining the present market value of such assets and properties. Within not more than sixty (60) days after their appointment and commission, each appraiser shall render their highest determination of such present value. The Board shall not recommend and submit for Member approval any proposal that within one (1) year theretofore or thereafter it shall have received for such a transaction—or, within one (1) year thereafter, make any offer of such a transaction—for a consideration that is less than the highest such determination rendered by the appraisers; nor shall it, following the expiration of one (1) year thereafter, make such a recommendation or offer without, again, first complying with the foregoing appraisal requirements.

- (2) If, after receiving such appraisals, the Board resolves to pursue the matter further, it shall, within sixty (60) days after such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them, to every other electric cooperative corporately sited and operating in Oklahoma and invite it to submit competing or alternative proposals, including proposals to merge or consolidate with the Cooperative. Such appraisals shall also be accompanied by any proposal for such a transaction received by the Cooperative within one (1) year prior to the receipt of the last appraisal or received subsequent thereto but prior to the adoption of such resolution; PROVIDED, only the most recent proposal from an Entity that has made two (2) or more proposals need be so transmitted. Such other electric cooperatives shall be given at least sixty (60) days within which to submit competing or alternative proposals, and they shall be notified in such transmittal of the actual final date for such submissions.
- (3) If, after such date, the Board so resolves, it shall recommend and submit to the Members (A) a proposal for such a transaction or (B) a proposal to merge or consolidate the Cooperative with one (1) or more other electric cooperatives. The Board may recommend and submit two (2) or more such proposals in the alternative, in which case, it shall specify its preference as to which shall be approved by the Members—that is, first choice, second choice, etc.—and the order in which such alternatives will be considered and acted upon at the meeting. The Board shall accompany its recommended proposal(s) with verbatim copies of all competing or alternative proposals it has received, together with all of the appraisals and any underlying data and information that may have accompanied such appraisals. The Board shall submit such recommendation and information to the Members not less than sixty (60) days before calling and noticing a Special Member Meeting thereon or, if such be the case, the next Annual Member Meeting,

stating in detail each of any such proposals. The Special or Annual Member Meeting shall be held not less than ten (10) nor more than twenty-five (25) days after the giving of such notice thereof.

- (4) Any three hundred (300) or more Members of the Cooperative may, over their respective signatures and within not less than forty-five (45) days prior to the date of such Member meeting, petition the Cooperative to mail to all Members any statement of opposition to the Board's recommendation and/or of their own recommendations that a competing or alternative proposal, which may be or include a proposition to merge or consolidate the Cooperative with one (1) or more other electric cooperatives, be submitted to and acted upon by the Members at such meeting, in which event the Board shall cause a printed copy of the petition, including the printing of the names of the Member signatories thereof, together with a printed copy of the statement, to be transmitted to all of the Cooperative's Members via the United States mail, first-class postage prepaid, not less than twenty-five (25) days prior to such Member meeting, with the cost of such printing and mailing to be borne by the Cooperative. When so mailed, such petition and statement shall constitute sufficient notice of any such competing or alternative proposal for the same to be considered and acted upon at such meeting. The meeting shall first consider and act upon the recommendation(s) of the Board. If two (2) or more alternative such recommendations have been made by the Board, they shall be considered and acted upon in the order specified by the Board. If the Members fail to approve any Board-recommended proposal, they shall then consider and act upon the competing, alternative proposal(s) which have, by petition, been submitted by Members, in the order in which they were received, if two (2) or more such proposals have been submitted, or in the order of priority specified in a petition. The Members may take such action on such proposal(s) as may be legally available to them.
- (c) No offer of such a transaction, whether made to or by the Board, shall be valid or, if made and accepted, enforceable unless the total consideration to be paid or otherwise furnished therefore, to the extent that the same is in excess of the amounts necessary to discharge or to provide for the discharge of all of the Cooperative's debts, obligations and liabilities, shall be distributed to or, if such be the case, allocated and assigned to the Members or former Members of the Cooperative in the manner provided for in the Articles of Incorporation, Bylaws, or applicable law.
- (d) Neither subsection (a) nor (b) of this Section 9.01 shall apply to the Board- recommended consolidation of the Cooperative with one or more other electric cooperatives, or to a sale, exchange, transfer or conveyance if such is in the nature of a forced sale for the reason that the purchaser possesses and otherwise would exercise a legal right to acquire, damage, relocate, remove or destroy such property and assets by condemnation or otherwise without the Cooperative's consent. Subsection (b) shall not apply to a Board-recommended

transaction if the substantive, effect thereof is to merge or consolidate the Cooperative with one (1) or more other electric cooperatives.

- (e) Notwithstanding the foregoing provisions of this Section 9.01, the Board, without authorization by the Members thereof, shall have full power and authority to authorize the execution and delivery of mortgage(s) or deed(s) 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 required or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof or to any other lender of funds to the Cooperative.

**SECTION 9.02. Distribution of Surplus Assets on Dissolution.** Except if and to the extent in conflict with applicable law providing for the dissolution of private corporations, upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board and not inconsistently with the provisions of the third paragraph of Section 7.02 of these Bylaws, be distributed without priority among all Persons who are or who have been Members 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; PROVIDED, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit charitable or educational organizations that are exempt from Federal income taxation.

**SECTION 9.03. Merger or Consolidation.** The Cooperative may consolidate or merge only with an Entity operating on a cooperative basis that Provides Electric Service in the manner set forth under applicable law ("Consolidate or Merge").

## **ARTICLE X FISCAL YEAR**

The Cooperative's fiscal year shall begin on the first day of January of each year and end on the 31st day of December of the same year.

## **ARTICLE XI RULES OF ORDER**

Parliamentary procedure at all meetings of the Members, of the Board, of any committee provided for in these Bylaws and of any other committee of the Members or Board which may from time to time be duly established shall be governed in the manner determined by the Board.

**ARTICLE XII  
SEAL**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed about the circumference thereof the name of the Cooperative and the words, "Corporate Seal, State of Oklahoma" in the center portion thereof.

**ARTICLE XIII  
AMENDMENTS**

**SECTION 13.01. Power to Amend.** Subject to the provisions of Section 437.6 of the Oklahoma Rural Cooperative Act and Section 3.05(b) of these Bylaws, these Bylaws may be changed (supplemented, altered, amended, or repealed) by the affirmative vote of more than a majority of the votes cast by the Members represented at a Regular or Special Member Meeting, as the case may be; PROVIDED, either the Board or the Members may repeal or correct any bylaw if as established Bylaw, such Bylaw is illegal or has become a legal nullity.

**SECTION 13.02. Procedure for Amending.** A Bylaw may be changed only if (1) a copy or an accurate summary explanation of the proposed change is contained in or with the notice of the Member meeting at which it is to be acted upon; and (2) unless sponsored by the Board, it is sponsored by at least fifty (50) Members who, over their signatures, file with the Cooperative a petition, proposing such change and setting forth with particularity the wording thereof and the time that the change is to become effective, at least forty-five (45) days prior to the date of the Member meeting at which such change will be acted upon; PROVIDED, if the Cooperative is presented with a written request by one or more but less than fifty (50) Members that a Bylaw change be noticed to and acted upon by the Members, and if the request sets forth with particularity the wording of the proposed change and the time that it is to become effective, the Board may, but shall not be obligated to, waive the foregoing petition requirement and cause such proposed change to be noticed and acted upon; PROVIDED FURTHER, the Board shall not cause any proposed Bylaw change to be noticed or acted upon, or permit any amendment to a proposed Bylaw change to be acted upon, if it determines that such, if adopted, would be illegal or a legal nullity. A change so noticed may not be amended from the floor of the Member meeting at which it is being considered.

**ARTICLE XIV  
FORCE MAJEURE**

The Cooperative shall not be liable for any failure or delay in performing an obligation under these Bylaws (e.g., failing to hold Annual Member Meetings and/or District Meetings) that is due to any of the following causes, to the extent beyond its reasonable control: acts of God, accident, riots, war, terrorist act, epidemic, pandemic, quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of internet service provider, natural catastrophes, governmental acts or omissions, changes in laws or regulations, national strikes, fire, explosion, generalized lack of availability of raw materials or energy