

Bylaws

(Including amendments through Aug. 5, 1999, Annual Meeting of Members

ARTICLE I MEMBERSHIP

SECTION 1. requirements for membership. Any person, firm, association, corporation, or body politic or sub-division thereof may become a member of EAST CENTRAL OKLAHOMA ELECTRIC COOPERATIVE, INC. (hereinafter called the "Co-operative") 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. No member may hold more than one membership in the Cooperative, and no membership shall be transferable, except as provided in these Bylaws.
- (e) agreeing to furnish necessary easements or permits for the construction and maintenance of easement right-of-way on his/her property or the property to be served.

SECTION 2. JOINT MEMBERSHIP. A husband and wife may apply for a joint membership and, subject to their compliance with the requirement 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 3. CONVERSION OF MEMBERSHIP.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the 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.
- (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 estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 4. MEMBERSHIP FEES. The membership fee shall

be Five Dollars (\$5.00), upon payment of which a member shall be eligible for one service connection.

SECTION 5. 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 application for membership, and shall pay therefore 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 6. TERMINATION OF MEMBERSHIP.

- (a) Any member may withdraw from membership upon compliance with such 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 and Regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion, and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by the vote of the members at the annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, shall be cancelled 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. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of the dissolution.

SECTION 2. NON-LIABILITY FOR DEBTS OF THE CO-OPERATIVE. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative, and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

**ARTICLE III
MEETING OF MEMBERS**

SECTION 1. ANNUAL MEETING. The annual meeting of the members shall be held between the dates of February 15th and September 15th, beginning with the year 1958, such time to be determined by the Board of Trustees at such place in the County of Okmulgee, State of Oklahoma, as shall be designated in the notice of the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the Board of Trustees, or upon a written request signed by any three Trustees, by the President, or by ten per centum or more of all the members and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Okmulgee, State of Oklahoma, specified in the notice of the special meeting.

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, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting to each member. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his 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. Two per centum of the total membership, present in person, or the per centum required by law, 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 the 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.

SECTION 6. PROXY VOTING. There shall be no voting by proxy.

SECTION 7. ORDER OF BUSINESS. The order of business at the annual meeting of members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and 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.

**ARTICLE IV
TRUSTEES**

SECTION 1. GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a Board of seven (7) Trustees, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the members.

SECTION 2. ELECTION AND TENURE OF OFFICE. The term for which the Trustees shall be elected shall be for a period of three (3) years. These terms shall be staggered so that two (2) Trustees shall be elected at the first annual meeting, two (2) Trustees at the second annual meeting, and three (3) Trustees at the third annual meeting from the effective date of this act. The number of Trustees for said Cooperative shall be seven (7).

SECTION 2 (A). The territory served or to be served by the Cooperative shall be divided into seven (7) districts. Each district shall be represented by one (1) Trustee. The Board of Trustees shall fix the boundaries of each district to be served by a Trustee. The Board of Trustees shall have authority from time to time to alter the boundaries of said districts as they shall deem it for the best interest of the Cooperative.

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

- (a) is not a member and bonafide resident in the area served or to be served by the Cooperative; 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.
- (c) is the incumbent of or candidate for an elected public office in connection with which a salary or compensation in excess of \$1000.00 per annum is paid.
- (d) has been convicted, pled guilty or pled nolo contendere to a felony; or
- (e) is or was an employee of the Cooperative during the preceding three years prior to time of filing or being nominated.

SECTION 4. NOMINATIONS. Not less than thirty (30) days, nor more than forty (40) days before any meeting at which Trustees are to be elected, the Board of Trustees whose terms expire shall call a separate meeting of the members of their district at a suitable place in such district, or at the Cooperative Headquarters or other designated facilities, for the purpose of selecting a candidate or candidates for Trustee to represent the members located within such district. The notice of such meeting shall be delivered to each member located in such district by written or printed notice, stating the place, day and hour of the meeting. The notice shall state that nominations for Trustee are to be made at the meeting. The meeting shall, however, be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted to the Board of Trustees or the entire membership.

The District Meeting shall be called to order by the Trustee representing the district or by another designated representative of the Board of Trustees, or in his absence, by any member residing within the district, who shall be Chairman. The Chairman shall appoint a Secretary to act for the duration of the meeting. Members of other districts at the meeting may be heard, but shall have no vote. Nominations for candidates for Trustee shall be made from the floor at the meeting, and any member residing in the district shall have a right to nominate one candidate. The meeting shall remain open for nominations until no further nominations are forthcoming, at which time the Chairman shall declare the nominations closed. Candidates must be members residing in the district and must possess the qualifications for Trustee specified by these By-laws. In the event there is not a quorum present, such meeting may be adjourned from time to time, until a quorum has been obtained.

Voting shall be by ballot. Each member may vote for one candidate. The candidate receiving the highest number of votes shall be declared the official candidate of the district. The Minutes of such district meeting shall set forth among other matters; the name of the person nominated at the meeting and the number of votes received and shall name the official candidate of the district. A certified copy of the Minutes, signed by the Secretary and the Chairman of the district meeting, shall be delivered to the Secretary of the Cooperative within five (5) days after such district meeting.

Any fifteen (15) or more members residing in such district acting together may make other nominations by petition not less than twenty-five (25) days prior to the annual meeting or special meeting of members at which Trustees are to be elected.

SECTION 4. (A). Not less than ten (10) days before an annual or special meeting of the members at which Trustees are to be elected, the Secretary of the Cooperative shall be responsible for mailing to each member a list of the candidates selected at all district meetings, and also the nominations made by petition, if any. At the meeting, the Secretary of the Cooperative shall place in nomination the names of the candidates from the districts. Each member of the Cooperative present at the meeting shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes at this meeting shall be elected as Trustee at

the annual meeting hereafter held. In the event that a quorum is not present and the election, because of such, cannot be held, then and in that event the Trustee holding office from that district shall automatically remain in office for an additional three year term provided he/she otherwise qualifies.

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 10 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 to the charges; and the person or persons bringing the charges against him 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 removal of Trustees by the members, 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, as such, shall not receive any salary for their services, but, by resolution of the Board of Trustees, a fixed sum for each day, or portion thereof, and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board, or for attending any meetings, conferences, training seminars, or any function related to the business of the Cooperative or performing any act on behalf of the Cooperative and authorized by the Board of Trustees.

SECTION 8. COMPENSATION FOR EXPENDITURES FOR BOARD APPROVED TRIPS FOR INDIVIDUALS OR GROUPS. The Board of Trustees is authorized to pay a fixed sum and the actual expenses of any individual or group designated by resolution passed by the Board of Trustees to attend any meetings in connection with the business affairs or related thereto of the Cooperative.

SECTION 9. LEGAL DEFENSE AND COST OF CLAIMS OR LAWSUITS AGAINST THE TRUSTEES, OFFICERS AND MANAGER:

- (a) The Board of Trustees is hereby authorized and directed to purchase a Trustees, Officers and Manager Liability Insurance Policy in an amount to be determined by resolution of the Board of Trustees, protecting the Trustees, Officers and Manager from any claim or claims made against them, individually or collectively, for which they may become legally obligated to pay. For coverage not provided by the Policy of Insurance, the Cooperative shall furnish and pay for the legal defense and cost of any claim or lawsuit for actual or alleged

- error, or misstatement, or a misleading statement or action, or admission or negligence, or breach of duty, by the Trustees, Officers or Manager, in the discharge of their duties, individually or collectively, or in any matter claimed against them, solely by reason of their being Trustees, Officers or Manager of the Cooperative
- (b) Loss shall mean any amount which the Trustees, Officers and Manager are legally obligated to pay or for which the insured may not be required to pay as indemnity to the Trustees, Officers and Manager, for a claim or claims made against the Trustees, Officers and Manager for Wrongful Acts and shall include but not limited to damages, judgments, settlements and costs, cost of investigation and defense of legal actions, claims or proceedings and appeals therefrom
- (c) The above Section shall only be applicable to legal actions in which the above coverage is not provided for by the Trustees, Officers and Manager Liability Insurance Policy.

SECTION 10. BENEFITS. Trustees shall be entitled to receive such benefits as may from time to time be offered Trustees of Rural Electric Cooperatives under programs sponsored by the National Rural Electric Cooperative Association or other sponsoring companies and agencies.

ARTICLE V MEETINGS OF TRUSTEES

SECTION 1. REGULAR MEETINGS. A regular meeting of the Board of Trustees shall be held monthly at such time and place in Okmulgee County, 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 meetings 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 (which shall be in Okmulgee County, Oklahoma), for the holding of the meeting.

SECTION 3. NOTICE OF THE 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 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, a 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 said 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, except as otherwise provided in these Bylaws.

ARTICLE VI OFFICERS

SECTION 1. NUMBER. The officers of the Cooperative shall be a President, Vice-President, Secretary, and 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 may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board of Trustees at the first meeting of the Board of Trustees held 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 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 interests 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 to the charges; and the person or persons bringing the charges against him shall have the same opportunity. During the pendency of such charges, the officer 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 removal shall be considered and voted upon at the next meeting of its 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, any deeds, mortgages deeds 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 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 of Trustees from time to time.

SECTION 5. VICE-PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers

of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

SECTION 6. SECRETARY. The Secretary shall be responsible for:

- a) keeping the minutes of the meetings of the members and of the Board of Trustees;
- b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- d) keeping a register of the names and post office addresses of all members;
- e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member), and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to each member upon request; and
- f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board of Trustees.

SECTION 7. TREASURER. The Treasurer shall be responsible for:

- a) the custody of all funds and securities of the Cooperative;
- b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- c) the general performance of all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board of Trustees.

SECTION 8. MANAGER. The Board of Trustees may appoint a manager who may be, but shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board 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 be bonded 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 be bonded in such amount and with such surety as it shall determine.

SECTION 10. COMPENSATION. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these Bylaws with respect to compensation for 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 a cooperative, non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons. Wherever the word patron is used herein shall mean member and non-member.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. In the furnishing of electric energy, the Cooperative's operation is being conducted so that all patrons 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 in excess of operating costs and expenses, and other expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credit to a capital credit account for each patron, all such amounts in excess of operating costs and other expenses properly chargeable against the furnishing of electric energy.

The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash, in pursuance of a legal obligation to do so, and the patron had then furnished the Cooperative corresponding amounts of capital.

In the event of dissolution or liquidation of the Cooperative, after an outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. After August 14, 1975, and thereafter, the Board of Trustees shall determine the method, basis priority and order of retirement, if any, for all amount furnished as capital. In no event, however, may any such capital be retired unless the security provisions of the Deeds of Trust given by the Cooperative to the United States of America dated September 5, 1956 are, satisfied.

However, at the discretion of the Board of Trustees, a reasonable cash reserve over and above the minimum requirements of the Government's Deeds of Trust provisions shall be maintained.

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

Notwithstanding any other provisions of these 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 representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws to retire capital credited to such patron immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon provided, however, that the financial condition of the Cooperative will not be impaired provided further, however, that the aggregate amounts so retired in any one year shall not exceed five percent (5%) of the Cooperative's capital; and provided further, however, that, if acting under policies of general application the percentage mentioned above is not sufficient to retire the capital credited to any such patron or patrons, such patron or patrons shall have the capital credited to them retired in the next succeeding year before any other retirements are made in any succeeding year.

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. The provisions of this article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

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 this 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 on an equitable basis after deducting all operating costs and expenses.

**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 by a meeting of the members thereof by the affirmative vote of not less than two-thirds

of all 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, the Board of Trustees of the Cooperative, upon authorization by a vote of the majority of 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 to 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 Electrification Administration 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

he members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may, upon the authorization of the Board 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 REA, 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. POLICIES, RULES AND REGULATIONS. The Board of Trustees shall have power to make and adopt such Policies, Rules and Regulations, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. ACCOUNTING SYSTEM AND REPORTS. The Board 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 Electrification Administration of the United States of America. The Board of Trustees shall also, after the close of each fiscal year, cause to be made by a Certified Public Accountant, a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. COUNTRY LIVING PUBLICATION. Each member shall be charged an annual subscription fee of sixty cents (60¢) for the Cooperative's monthly publication of the Country Living Newsletter. The subscription price shall be deducted from the amounts accrued to the members as capital credits.

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.