

**ARTICLE I  
MEMBERSHIP**

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

SECTION 1.02. Application for Membership; Renewal of Prior Application. Application for membership wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Articles of Incorporation and By-laws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations") shall be made in writing on such form as is provided therefore by the Cooperative. This writing may be in either document or electronic form. Upon receiving electric service from the Cooperative, an applicant becomes a member of the Cooperative. A copy of the Cooperative's Bylaws will be sent to all new members. If for any reason, a member does not agree to be bound by and comply with all of the Cooperative's Bylaws, and all rules, regulations, and rate schedules established pursuant thereto, then the member may terminate the membership and service will be discontinued. A form will be included with the Bylaws to terminate membership. If a member fails to terminate the membership within 30 days of the date the Cooperative sent a copy of the By-laws, it will be conclusively presumed that the applicant is a member of the Cooperative for all purposes.

With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the connection fee provided for in Section 1.03 (together with any service security deposit, facilities extension deposit or contribution in aid of construction that may be required by the Cooperative), which fee (and such services security deposit, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is not approved. Any former member of the Cooperative may, by the sole act of paying a new connection fee and any outstanding account plus accrued interest thereon at the Illinois legal rate on judgments in effect overdue, compounded annually (together with any service security deposit, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative or attorney's fees incurred in the enforcement hereof), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of payment.

SECTION 1.03. Connection Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The connection fee shall be fixed from time to time by the Board of Directors. The connection fee, (together with any service security deposit, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. The service connection fee (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, if required by the Cooperative), shall be paid by the member for each additional service connection requested by said member.

**SECTION 1.04. Joint Membership. A husband and wife, shall be accepted into joint membership or, if one of them is already a member, such membership shall automatically converted into a joint-membership. The words "member", "applicant", "person", "his", a "him", as used in these By-laws, shall include persons applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:**

(a) the presence at a meeting of either or both shall constitute the presence of the joint membership and a joint waiver of notice of the meeting.

(b) the vote of either or both shall constitute, respectively, one joint vote.

(c) notice to or waiver of notice signed by either or both shall constitute, respectively, a joint notice or waiver of notice.

(d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership.

(e) withdrawal of either shall terminate the joint membership.

Any application for membership in the Cooperative received after August 4, 1994, from any person who is married shall be deemed and become an application membership by husband and wife as joint tenant members with right of survivorship unless the person making such application otherwise designates in writing.

With respect to memberships issued prior to August 4, 1994, the membership of any person who on that date was married, or who thereafter while a member became married, shall be deemed to have become, and shall become at such time, a membership in husband and wife as joint members with right of survivorship without further action by such member, unless within thirty days after August 4, 1994, or thirty days after the date of marriage, whichever date is later, the person to whom such membership was issued otherwise designates in writing

The records of the Cooperative shall properly show all joint memberships in the names of the joint members. By writings signed by both joint members and filed with the Cooperative, any joint membership may be terminated and vested solely in one of the joint members.

SECTION 1.05. Acceptance into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall be accepted into membership in, and become eligible to receive electric service from the Cooperative unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause: PROVIDED, that any person whose application, has been rejected by the Board of Directors may, by filing a written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and be heard.

SECTION 1.06. Classifications of Members. All members of the Cooperative shall be classified as either active or inactive members, as follows:

(a) Active Members. All members currently using electric service from the Cooperative, delivered to the respective members through one or more service connections, shall be classed the active members of the Cooperative and as such, shall have the right to vote upon any proposition submitted to the membership of the Cooperative and shall be eligible to hold any elective office in the Cooperative further providing he or she meets all other qualifications required in the By-laws.

(b) Inactive Members. Those persons, having otherwise qualified for membership in the Cooperative but who are not currently using electric service from the Cooperative shall be classed inactive members of the Cooperative and as such, shall not be eligible to vote upon any proposition submitted to the membership of the Cooperative or to hold any elective office in the Cooperative.

Classification of membership from inactive to active or vice versa, shall change at once without notice to said member upon commencing to use or ceasing to use electric service from the Cooperative or disconnection by the Cooperative of the member's electric service.

Change of classification shall not affect in any way obligation for debts the member may have incurred with the Cooperative nor the capital credits accrued by the member.

SECTION 1.07. Purchase of Electric Power and Energy; Application of Payments to All Accounts' Power Production by Member. The Cooperative shall use reasonably, diligent efforts to furnish its members with adequate and dependable electric service, although it cannot and, therefore, does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirements, and shall pay therefor at the times, and in accordance with the rules, regulations and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Each member shall also pay all amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

Production or use of electric energy on such premises, regardless of the source thereof by means of facilities which shall be interconnected, with Cooperative facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

SECTION 1.08. Excess Payments to be Credited as Member-Furnished Capital. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provide in Article VII of these By-laws.

SECTION 1.09. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to this membership to become and to remain wired in accordance with the specification the Illinois State Fire Marshall's Office, National Electric Code, any applicable state code or local government ordinances, and of the Cooperative. Each member shall be responsible for---and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of---such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source, for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection 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 his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event that such facilities are interfered with, impaired in their operation or damaged by the member or 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 the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure to 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 with the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

SECTION 1.10. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs. Each member shall upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easements or right-of-way over, on and under such lands owned or leased by or mortgaged to the member. The terms of such a grant shall be reasonable, shall be negotiated by the parties with an intent to disturb agricultural, business, and recreational uses as little as is economically possible, and shall follow roads or property lines when possible. The grant shall only be as required for furnishing of electric service to members or for construction, operation, maintenance or relocation of the Cooperative's electric facilities. Each member shall participate in any required program that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy or to conduct load research. If a member chooses not to participate, he may not benefit from the reduced rates he might otherwise receive.

## ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. Termination of Membership. Memberships may be terminated as follows:

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than 2/3 of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes such member liable to expulsion and such failure shall have continued for at least 10 days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the active members at any annual or special meeting. The membership of a member who for a period of 6 months after service is available to such member, has not purchased electric service from the Cooperative may be cancelled by resolution of the Board.

SECTION 2.02. Termination by Death or Cessation of Existence; Continuance of Membership in Remaining or New Partners. Except as provided in Section 2.03 the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership:

PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners:

PROVIDED FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

SECTION 2.03. Effect of Death, Legal Separation or Divorce upon Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint.

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

PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

## ARTICLE III MEETINGS OF MEMBERS

SECTION 3.01. Annual Meeting. For the purposes of electing Directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held each year at such place in one of the counties in Illinois within which the Cooperative serves, and beginning at such hours, as the Board of Directors shall from year to year fix. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02. Special Meetings. A special meeting of the members may be called by the Board of Directors, by the President, by any three (3) Directors, or by petition signed by not less than twenty percent (20%) of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Illinois within which the Cooperative serves, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefor is filed, and beginning at such hour as shall be designated by him or those calling or petitioning for the same.

SECTION 3.03. Notice of Member Meetings. Written or printed notice of the place, day and hour of meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member not less than seven (7) days prior to the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary (and in the case of a special meeting, at the direction of him or those calling the meeting). Any such notice delivered by mail may be included with member service billings or as an integral part of the Cooperative's monthly newsletter, and/or any statewide consumer publication of AIEC (Association of Illinois Electric Cooperatives). No matter or item of business, the carrying of which, as provided by law, requires the affirmative votes of at least two-thirds (2/3) of the membership of the Cooperative present in person, or requires the affirmative votes of at least two-thirds (2/3) of the total membership of the Cooperative, shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and post-marked not less than seven (7) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04. Quorum. Business may not be transacted at any meeting of the members unless there are present in person at least one hundred fifty (150) of the Cooperative's members, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than forty (40) days later and to any place in one of the counties in Illinois within which the Cooperative serves:

PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. 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 are registered as present in person.

SECTION 3.05. Voting. Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. Voting by the joint membership shall be allowed by registration of either party to the joint membership at each member meeting. Any questions with respect to the authority of any person, or representative of any member, to vote at any meeting of the members shall be resolved prior to said vote by the Board of Directors or such persons or subcommittees that shall be so designated to resolve such issues by the Board of Directors. At all meetings of members, all questions shall be decided by the affirmative votes of a majority of the members present in person except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these By-laws. Members may not cumulate their votes.

SECTION 3.06. Proxy Voting. Proxy voting is prohibited at all meetings of members of this Cooperative.

SECTION 3.07. Order of Business. The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

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 giving thereof, or of the waiver(s) of notice of the meeting, as the case may be;
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
4. Presentation and consideration of reports of officers, directors and committees;
5. Election of Directors;
6. Unfinished business;
7. New business; and
8. Adjournment.

Notwithstanding the foregoing, the Board of Directors or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business:

PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

Except as provided herein, parliamentary procedure at all meetings of the members shall be governed by the most recent edition of Robert's Rules of Order.

#### **ARTICLE IV DIRECTORS**

SECTION 4.01. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or By-laws conferred upon or reserved to the members.

SECTION 4.02. Qualifications. No person shall be eligible to become or remain a director of the Cooperative who:

1. is an employee of the Cooperative;
2. is not a member of good standing of the Cooperative;
3. is not receiving service from the Cooperative at his primary residence.

Further, no person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to, among others, the members of the Cooperative. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these By-laws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. 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 of Directors, unless a Director has failed to disclose his interest in the action, failed to abstain from the vote on it, and the action is unfair to the Cooperative.

SECTION 4.03. Election. At each annual meeting of the members, Directors shall be elected by secret written ballot by the members and, from among those members who are natural persons: PROVIDED, that, when the number of nominees does not exceed the number of Directors to be elected, and if there is no objection, secret written balloting may be dispensed with and voting may be conducted in any other proper manner. Directors shall be elected by a plurality of the votes cast unless the members, prior to the balloting, resolve that a majority of the votes cast shall be required to elect, and this By-law provision shall be brought to their attention and explained prior to any balloting. Drawing by lot shall resolve, where necessary, any tie votes.

SECTION 4.04. Election and Tenure of Office. Directors shall be elected for a term of three (3) years to succeed those Directors whose terms have expired. Upon their election, directors, shall, subject to the provisions of these By-laws with respect to the removal of directors, serve until the annual meeting of the members of the year in which their terms expire or until their successor shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at an annual meeting of the members duly fixed and called pursuant to these By-laws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

SECTION 4.05. Nominations. It shall be the duty of the board to appoint not less than sixty (60) days before the date of the meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to give equitable representation on the committee to the geographical areas served by the Cooperative. No officer or member of the board of directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the meeting a list of nominations for directors, but any fifteen (15) or more members may make other nominations in writing over their signatures not less than sixty (60) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. Nothing contained herein shall, however, prevent additional nominations to be made from the floor at the meeting of the members. No member may nominate more than one candidate.

SECTION 4.06. Voting for Directors; Validity of Board Action. In the election of Directors, each member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the total number of Directors that are to be elected, but no member may vote for more nominees than the number of Directors that are to be elected. Ballots marked in violation of the foregoing restriction shall be invalid and shall not be counted. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of Directors.

SECTION 4.07. Removal of Directors by Members. Any member may bring one or more charges for cause against anyone or more directors and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten percent (10%) of the total membership of the Cooperative, 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 or more directors are recalled to elect their successor(s), and which specifies the place, time and date thereof not less than sixty (60) days after filing of such petition. 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), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he/she 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 director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than seven (7) days prior to the member meeting at which the matter will be acted upon:

PROVIDED, that the notice shall set forth only twenty (20) of the names (in alphabetical order) of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by a counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor;

PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him have been presented during the meeting, through oral statements, documents or otherwise. A newly elected director shall serve the unexpired portion of the removed director's term.

SECTION 4.08. Vacancies. Subject to the provision of these By-laws with respect to the filling of the vacancies caused by the removal of board members by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term.

SECTION 4.09. Compensation Expenses. Directors shall, as determined by a resolution of the Board of Directors, receive on a per diem basis, a fixed fee, for (a) attending meetings of the Board of Directors and for (b) the performance of other Cooperative business when such has had prior approval of the Board of Directors for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred and further may receive such health insurance benefits as are furnished to Cooperative employees from time to time. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members of such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure;

PROVIDED, that a director who is also an officer of the Board and who as such officer performs regular and periodic duties of a substantial nature for the Cooperative in its affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

SECTION 4.10. Rules, Regulations, Rate Schedules, and Contracts. The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with laws or the Cooperative's Articles of Incorporation of By-laws, as it may deem advisable of the Cooperative.

SECTION 4.11. Accounting System and Reports. The Board of Directors 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 full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete to partial, at any time and for any specified period of time.

SECTION 4.12. Subscription to Cooperative's Newsletter; Subscription to Statewide Publication. Payment for electric energy shall include, for each member, a subscription to any publication of the Cooperative and the Association of Illinois Electric Cooperatives.

SECTION 4.13. "Close Relative" Defined. As used in these By-laws, "close relative" means a person who, by blood or in law, including step and adoptive kin is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal; however, no person shall be disqualified by reason of this definition in Section 13 and its application in Section 9 above in the event that said person is deemed to be a close relative of a director solely as a result of the marriage of some other person which occurs after the person became either a director or employee.

## **ARTICLE V MEETING OF DIRECTORS**

SECTION 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place in one of the counties in Illinois within which the Cooperative serves as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution giving the date, time and place thereof, except when business to be transacted thereat shall require special notice:

PROVIDED, that any director absent from any meeting of the Board 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 of change at least five (5) days prior to the next meeting of the Board;

AND PROVIDED FURTHER, that 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 not less than five (5) days notice thereof to all directors.

SECTION 5.02. Special Meetings. Special meetings of the Board of Directors may be called by Board resolution, or by at least three (3) directors or by the President, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 1. The Board, the President, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in Illinois within which the Cooperative serves, unless all directors consent to its being held in some other place in Illinois or elsewhere. Special meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, without regard to the actual location of the Directors at the time of such telephone conference meeting, if all the Directors consent thereto.

SECTION 5.03. Notice of Directors' Special Meetings. Written notice of the date, time, place and purpose(s) 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 director not less than five (5) 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 him or those calling it in the case of a special meeting or by any director in the case of a 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 director at his address as it appears on the records of the Cooperative, with first class postage thereupon prepaid, and postmarked at least five (5) days prior to the meeting date. Any director may waive notice of any meeting. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present shall be required for any action to be taken:

PROVIDED, that a director who by law or these By-laws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Directors in office or present;

AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent Directors to be duly and timely notified of the date, time and place of such adjourned meeting.

SECTION 5.05. Robert's Rules of Order. Except as provided herein, parliamentary procedure at all meetings of the Board of Directors shall be governed by the most recent edition of Robert's Rules of Order.

## **ARTICLE VI OFFICERS, MISCELLANEOUS**

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

SECTION 6.02. Election and Term of Office. The four officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the By-laws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to

SECTION 6.03. Removal. Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

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

SECTION 6.05. President. The President shall:

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

3. in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6.06. 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 the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.07. Secretary. The Secretary shall:

1. keep, or cause to be kept, the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose
2. see that all notices are fully given in accordance with these By-laws or as required by law;
3. be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents the execution of which, on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these By-laws or is required by law;
4. keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
5. have general charge of the books of the Cooperative in which a record of the members is kept;
6. keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and By-laws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and
7. in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.08. Treasurer. The Treasurer shall:

1. have charge and custody of and be responsible for all funds and securities of the Cooperative;
2. receive and give 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 in such financial institutions or securities as shall be selected in accordance with the provisions of these By-laws; and
3. in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

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

SECTION 6.10. General Manager; Executive Vice President. The Board of Directors may appoint a General Manager, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him.

SECTION 6.11. Bonds. The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

SECTION 6.12. Compensation; Indemnification. The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.09, of these By-laws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify Directors, officers, including the General Manager, agents and employees, as provided in the General Not-for-Profit Corporation Act, 805 ILCS 105/108.75. The Cooperative may purchase insurance to cover such indemnification.

SECTION 6.13. 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 and showing the condition of the Cooperative at the close of such fiscal year.

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

SECTION 7.01. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 7.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all members 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 its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to allocate credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. The Cooperative shall within a reasonable time after the close of each fiscal year notify the members of the amount of capital so credited by publishing an appropriate formula in the Cooperative's Newsletter or the statewide publication of the Association of Illinois Electric Cooperatives, which notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had furnished the Cooperative corresponding amounts for capital.

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

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were members during the period the asset was owned by the Cooperative in proportion to the amount of business done by such members during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to

members', accounts may be retired in full or in part. Any such retirement of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired:

PROVIDED, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of members which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's members, (c) provide for appropriate notifications to members with respect to such portions of capital credited to their accounts, and (d) preclude a general retirement of such portions of capital credited to members for any fiscal year prior to the general retirement of other capital credited to members for the same year or of any capital credited to members for any prior fiscal year.

Capital credited to the account of each member 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 in part of such member's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these By-laws, the Board of Directors shall at its discretion have the power at any time upon the death of any member who was a natural person (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a member, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired under the provisions of the By-laws, to retire such capital immediately upon such terms and conditions as the Board of Directors acting under policies of general application to situations of like kind and such legal representatives, shall agree upon: PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any member's account, shall deduct there from any amount owing by such member to the Cooperative, together with interest thereon at the Illinois legal rate of judgments in effect when such amount became overdue, compounded annually.

SECTION 7.03. Members' and Non-Members' Responsibilities. The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and By-laws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the By-laws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's offices.

SECTION 7.04. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable there from which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis, and returned to those members from whom such amounts were obtained at such time and in such order of priority as the Board of Directors shall determine.

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

SECTION 8.01. Disposition and Pledging of Property.

1. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all, or substantially all, of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all the members of the cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrances shall have been contained in the notice of the meeting. "Substantially all" as used herein shall mean ten percent (10%) or more of the Cooperative's assets in the fiscal year of one or more of the transactions referred to in the previous sentence. However, the Board of Directors, without authorization of the members, shall have full power and authority to sell, lease, lease-sell, exchange, transfer or otherwise dispose of merchandise and any property no longer necessary or useful for operating the Cooperative.
2. Supplementary to the foregoing subsection (a) and any other applicable provisions of law or these By-laws, no sale, lease, lease-sale, exchange, transfer, mortgage or other disposition of all or substantially all of the Cooperative's property and assets shall be authorized except in conformity with the following:
  - a. If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, experts in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by the Board of Directors.
  - b. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members it shall first give every other electric cooperative corporately sited and operating in Illinois (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
  - c. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members. Expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall be held not less than forty (40) days nor more than sixty (60) days after the giving of such notice to the members; PROVIDED, that consideration thereof by the members may be given at the next annual meeting if the Board so determines.
  - d. Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made. The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric co-operatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

SECTION 8.02. Distribution of Surplus Asset on Dissolution. 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 of Directors not inconsistently with the provisions of the third paragraph of Section 7.02 of these By-laws, be distributed without priority but on a patronage basis among all persons having been members of the Cooperative for any period(s) during its existence;

PROVIDED, HOWEVER, that, 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.

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

SECTION 8.01. Disposition and Pledging of Property.

1. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all, or substantially all, of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all the members of the cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrances shall have been contained in the notice of the meeting. "Substantially all" as used herein shall mean ten percent (10%) or more of the Cooperative's assets in the fiscal year of one or more of the transactions referred to in the previous sentence. However, the Board of Directors, without authorization of the members, shall have full power and authority to sell, lease, lease-sell, exchange, transfer or otherwise dispose of merchandise and any property no longer necessary or useful for operating the Cooperative.
2. Supplementary to the foregoing subsection (a) and any other applicable provisions of law or these By-laws, no sale, lease, lease-sale, exchange, transfer, mortgage or other disposition of all or substantially all of the Cooperative's property and assets shall be authorized except in conformity with the following:
  - a. If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, experts in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by the Board of Directors.
  - b. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members it shall first give every other electric cooperative corporately sited and operating in Illinois (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
  - c. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members. Expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall be held not less than forty (40) days nor more than sixty (60) days after the giving of such notice to the members; PROVIDED, that consideration thereof by the members may be given at the next annual meeting if the Board so determines.
  - d. Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made. The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric co-operatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

SECTION 8.02. Distribution of Surplus Asset on Dissolution. 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 of Directors not inconsistently with the provisions of the third paragraph of Section 7.02 of these By-laws, be distributed without priority but on a patronage basis among all persons having been members of the Cooperative for any period(s) during its existence;

PROVIDED, HOWEVER, that, 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.

**ARTICLE IX  
SEAL**

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

**ARTICLE X  
CONTRACTS, CHECKS AND DEPOSITS**

SECTION 10.1. Contracts. Except as otherwise provided by law or these By-laws, the Board of Directors may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 10.2. Checks, Drafts, etc. All checks, drafts or other order for the payment of money, and all notes, bonds, or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 10.3. Deposits; Investments. All funds of 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 the Board of Directors may select.

**ARTICLE XI  
WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these By-laws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

**ARTICLE XII  
FISCAL YEAR**

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

**ARTICLE XIII  
AMENDMENTS**

These By-laws may be altered, amended or repealed by the members of the Cooperative at any regular or special member meeting, but only if a notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.