

***BY-LAWS***

**OF**

**WARREN COUNTY  
RURAL ELECTRIC MEMBERSHIP  
CORPORATION**

Restated December 8, 2023

**ARTICLE 1  
MEMBERS**

**Section 1. Qualifications and Obligations.**

Any natural person, firm, association, corporation or body politic may become a member in the Corporation by:

- (a) submitting an application for membership in the manner and format approved by the board;
- (b) agreeing to purchase from the Corporation electric energy as hereinafter specified; and
- (c) agreeing to comply and be bound by the articles of incorporation of the Corporation and these by-laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors.

No natural person, firm, association, corporation or body politic may own more than one (1) membership in the corporation.

A married couple, a partnership or other business joint venture may apply for joint membership and, subject to their compliance with the requirements set forth in Article I, may be accepted for membership as “joint members”. Any provisions relating to the rights and liabilities of membership shall apply equally with respect to holders of joint membership. The holders of the joint membership shall have the following rights and obligations:

- a. presence at a meeting of any representative of the joint member shall be regarded as the presence of one member and shall constitute a waiver of notice of the meeting.
- b. vote of any representative of the joint member shall constitute a joint vote;
- c. waiver of notice signed by any representative of the joint member shall constitute a joint waiver;
- d. notice to any representative of the joint member shall constitute notice to both;

- e. expulsion of any representative of the joint member may terminate the joint membership;
- f. withdrawal of any representative of the joint member may terminate the joint membership;
- g. a representative of the joint member, if otherwise qualified, may be elected or appointed as an officer or board member;
- h. a joint member will be entitled to one vote on any matters submitted to a vote of the members;
- i. on the death of either spouse of a joint membership, membership shall continue to be held solely by the survivor in the same manner and the same effect as though the membership had never been joint; provided that the estate of the deceased spouse shall not be released from any debts due to the Cooperative. In the event of a legal separation or divorce, unless otherwise ordered by a court of competent jurisdiction, the joint membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by the membership in the same manner and the same effect as though membership had never been joint; provided that the other spouse shall not be released from any debts due to the Cooperative.
- j. in the event that a partnership or joint venture holding a joint membership is dissolved, the joint membership shall be terminated; provided, however, the partnership or the joint venture shall not be released from any debts due to the Cooperative and the liability of the individual participants in the partnership or joint venture shall not be released. Upon such dissolution, the joint member shall designate which, if any, successor entities shall continue to be served by the Cooperative as if the membership had never been joint; provided that the other parties to the partnership or joint venture shall not be released from any debts due to the Cooperative for service prior to the dissolution of the joint membership.

## **Section 2. Terms of Membership.**

- (a) In case of withdrawal or termination of membership in any manner, the Corporation shall repay to the member the amount of the membership fee paid by the member, PROVIDED, however, that the Corporation may deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Corporation.
- (b) In consideration of receiving electrical power from the Corporation, each member shall, upon request of the Corporation and at no cost to the Corporation, execute and deliver to the Corporation grants of easement or right-of-way over, under and on such lands owned, contracted for, or legally controlled by the member, in accordance with such reasonable terms and conditions as the Corporation shall specify for the furnishing of electric or communications service to the member or other members or for the construction, operation, maintenance or relocation of electric or communications facilities. Each member shall, upon request by the Corporation, provide affirmative consent or written grants of easement or right-of-way on, over, across, or under all lands owned, contracted for, or legally controlled by them for the purpose of allowing the Corporation to maintain, trim, clear, spray, or remove trees, vegetation, and brush, and each member shall participate in any program that may

be established by the Cooperative for the maintenance of all such rights-of-ways.

- (c) The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the articles of incorporation and by-laws shall constitute and be a contract between the Corporation and each member and both the Corporation 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.

### **Section 3. Purchase of Electric Energy.**

Each member shall purchase from the Corporation all electric energy used on the premises specified in his or her application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the board of directors; provided, however, that the board of directors may limit the amount of electric energy which the Corporation 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 by-laws. Each member shall pay to the Corporation such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by the member to the Corporation as and when the same shall become due and payable. Notwithstanding the foregoing, the board of directors may adopt and amend policies from time to time to allow members to use electric energy produced by a co-generation facility, renewable generation facility or other generation facility on such terms and conditions as shall be established by the board.

### **Section 4. Non-liability for Debts of the Corporation.**

The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation and no member shall be individually liable or responsible for any debts or liabilities of the Corporation.

### **Section 5. Expulsion of Members.**

The board of directors of the Corporation may, by the affirmative vote of not less than two-thirds (2/3) of the members, expel any member who shall have violated or refused to comply with any of the provisions of the articles of incorporation of the Corporation or these by-laws or any rules and regulations adopted from time to time by the board of directors. Any member so expelled may be reinstated as a member by a vote of the majority of members voting at any annual or special meeting of the members at which a quorum of 2% of members are present in person.

### **Section 6. Withdrawal of Membership.**

Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Corporation and upon compliance with such terms and conditions as the board of directors may prescribe.

## **Section 7. Transfer and Termination of Membership.**

Membership in the Corporation shall not be transferable, except in circumstances set forth in policies, rules or regulations adopted from time to time by the board of directors. Upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release the member from the debts or liabilities of such member to the Corporation.

## **ARTICLE II MEETING OF MEMBERS**

### **Section 1. Annual Meeting.**

The annual meeting of the members of the Corporation shall be held between January 1 and December 31 of each year, at such place and such time within a county served by the Corporation as the board of directors may designate. The board of directors may, from time to time in its sole discretion, determine that it is in the best interest of members to allow or require members to participate in an annual meeting by telephonic or electronic media which permits members not physically present at the meeting to hear, be heard, and participate in the business brought before the members during the course of the meeting.

The annual meeting of the members shall be held for the purpose of electing directors, passing upon reports covering the previous fiscal year or periods since the preceding annual meeting of the members, and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day fixed for the annual meeting or any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient. Failure to hold the annual meeting of the members at the designated time and or place shall not be considered a forfeiture or dissolution of the Corporation and shall not invalidate any action taken by the Corporation thereafter.

### **Section 2. Special Meetings.**

Special meetings of the members may be called by the President, by a majority of the board of directors or upon a written request signed by at least 5 percent (5%) of all the members and it shall thereupon by the duty of the Secretary-Treasurer to cause notice of such special meeting to be given as hereinafter provided. Special meetings of the members may be held at such time and place within the area served by the Corporation as the Secretary-Treasurer may designate in the notice of the special meeting.

### **Section 3. Notice of Member's Meetings.**

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail or electronically, by or at the direction of the President or the Secretary-Treasurer, or the officers, or 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 or her address as it appears on the records

of the Corporation with postage thereon prepaid. If transmitted electronically, the notice shall be deemed delivered when transmitted to the electronic mail address or other address provided by the member for electronic communications. 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.**

At least two percent (2%) of the total number of members of the Corporation who:

1. are present in person at a meeting of the members; or
2. cast votes prior to a meeting of the members in accordance with these Bylaws and any policies, rules or regulations adopted from time to time by the Board of Directors;

shall constitute a quorum for the transaction of business at all meetings of the members; provided that if a quorum is not established, a majority of the members so present may adjourn the meeting from time to time without further notice. In case of a joint membership, the presence at a meeting or a vote cast prior to the meeting of either joint member shall be regarded one member for purposes of establishing a quorum.

#### **Section 5. Voting.**

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

1. If early voting is authorized by the board of directors for a matter submitted to a vote at a meeting of the members, the Corporation shall make early ballots available to eligible members at least ten (10) days before the meeting. The board of directors shall establish and communicate to members a deadline by which all early ballots must be submitted. No early ballots will be accepted following the deadline established by the board of directors. A Member's failure to receive an early ballot does not affect or invalidate a vote or action taken by other members. An early ballot may not be procured or cast through fraud or other improper means. As determined by the Corporation, an early ballot procured or cast through fraud or other improper means is invalid.
2. If early voting is authorized by the board of directors for a matter submitted to a vote of the members, a member submitting an early ballot may not revoke the early ballot and will not be entitled to vote at the meeting regarding a matter described in the early ballot.

At all meetings of the members at which a quorum is established all questions presented shall be decided by a majority vote of the members voting; provided, however, that if more than two (2) persons are running for election as a director from the same district, as provided in Article III, then the person receiving the most votes shall be elected. In the event of a tie vote, a second ballot shall be cast by members present in person at the meeting only as to matter in which there was a tie vote.

## **Section 6. Election Committee.**

Before a meeting of the members at which any open director position has more than one candidate, the Board shall appoint an Election Committee consisting of an uneven number of members in good standing between three and nine.

(a) An Election Committee member must not be: (1) a member of the Nominating Committee; or (2) an existing, or a Close Relative of an existing, Corporation Official or known Director candidate. As determined by the Board, the Corporation may reasonably compensate or reimburse Election Committee members.

(b) During, or within a reasonable time before or after, the meeting of the members for which the Election Committee was appointed, the Election Committee shall:

- (1) elect a chairperson and secretary;
- (2) establish, or approve, the manner or method of Member registration and voting;
- (3) oversee or supervise Member registration and voting, and the tabulation of Member votes; and
- (4) consider and decide all questions, issues, or disputes regarding: (A) Member registration and voting, including the determination of Members present; (B) the tabulation or count of Member votes, including the determination of whether a ballot was properly cast and vote results; (C) Director nominations; and (D) whether a Director nominee or newly elected Director satisfies the Director Qualifications (collectively, "Election Issues").

The Election Committee may meet, consider, or decide Election Issues, or otherwise act, only if a majority of the Election Committee members are present. An Election Committee decision or action requires a vote of at least a majority of the Election Committee members voting. Except as otherwise provided in this Bylaw, Election Committee decisions or actions during, or within a reasonable time before or after, a meeting of the members are final. At the Corporation's expense, the Corporation shall make available legal counsel to the Election Committee.

(c) A Member entitled to vote upon a matter may comment upon an Election Issue, or challenge the Election Committee's decision or action regarding an Election Issue, by filing a written description of the Member's comment or challenge ("Member Challenge") with the Corporation within three business days following the meeting of the members at which the matter was decided.

Within thirty days of receiving a Member Challenge, the Election Committee shall:

- (1) as determined by the Election Committee, meet and receive oral or written evidence from a Member, or legal counsel representing a Member, directly and substantially implicated in, or affected by, the Member Challenge; and
- (2) consider, decide, and rule on the Member Challenge.

The Election Committee's decision regarding a Member Challenge is final. Upon written request by a Member received by the Election Committee within thirty days of an Election Committee decision or action, the Election Committee shall prepare a written report summarizing and explaining the

Election Committee's decision or action. The failure of the Corporation or the Election Committee to act as required by this Bylaw shall not, by itself, affect a vote, Director election, or other action taken at a meeting of the members.

#### **Section 7. Order of Business.**

The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members shall be essentially as follows:

- (1) Call of roll.
- (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 the taking of necessary action thereon.
- (4) Presentation and consideration of, and acting upon, reports of officers, directors and committees.
- (5) Election of directors.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

The reading of the notice of the meeting, the proof of publication of the notice of the meeting, and the minutes of the previous meeting of the members may be waived by resolution. Unless special rules of procedure are adopted by a body at a meeting, the latest version of Roberts Rules of Order shall be the standard rules of procedure for conducting business meetings of the Corporation.

### **ARTICLE III DIRECTORS**

#### **Section 1. General Powers.**

The business and affairs of the Corporation shall be directed by a board of directors composed of eight (8) members. The board of directors shall exercise all of the powers of the Corporation except such as are by law or by the articles of incorporation, or by these by-laws conferred upon or reserved to the members.

#### **Section 2. Districts.**

In order that there shall be representation of all the geographic areas served by the Corporation, directors shall be nominated by districts and each such nominee must receive electric service from the Corporation within the district from which he or she is elected and must maintain his or her primary residence within such district. Districts shall be designated as follows:

District 1 That area within the service territory of the Corporation, located in Benton and White Counties, Indiana.

District 2 That area within the service territory of the Corporation, located in Warren and Tippecanoe Counties, Indiana.

District 3 That area within the service territory of the Corporation, located in Vermillion County, Indiana.

District 1 shall have two (2) directors, District 2 shall have five (5) directors, and District 3 shall have one (1) director.

In the event an incumbent director changes his or her residence and no longer resides within the district from which he or she was elected or no longer receives electric service from the Corporation within the district from which he or she was elected, the member shall not be qualified to remain a director and shall resign or be removed from office by the remaining members of the board of directors.

### **Section 3. Other Qualifications, Election of Directors, and Tenure.**

#### **a. Elections.**

The members at each annual meeting shall elect directors for those offices whose term of three (3) years has expired to provide for the staggering of terms of office.

Although directors must reside within their respective districts, all members qualified to vote at the annual meeting of the members shall be entitled to vote for nominees in each directorate district. Without regard to term, all directors will serve until their successors shall have been elected and qualified, subject to the provisions of the by-laws with respect to the removal of directors. If the election of directors shall not be held on the day designated for any annual meeting of the members, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be scheduled and duly noticed to the members.

When a membership is held jointly, not more than one person participating in the joint membership may be elected as a director if otherwise qualified.

Directors may be elected by a plurality of the members who cast a valid ballot. In the event of a tie vote, a second ballot shall be cast by members present in person at the meeting only as to the District or Districts in which there was a tie vote. If, after the second ballot, there remains a tie vote, the tied vote will be resolved by flip of a coin.

#### **b. Qualifications.**

No member shall be eligible to become or remain a director or to hold a position of trust in the Corporation who: (1) does not meet the residency requirements set forth in this Article; (2) is currently employed or was employed by the Corporation within the past 36 months; and (3) is in any way employed by or financially interested in a business selling electric energy or supplies to the Corporation, except that any director of the Corporation who, with consent of the board of directors of the Corporation, serves on the board of directors of any organization providing electric energy to the Corporation shall not be so disqualified. Upon establishment of the fact that a director is in violation of any of the foregoing provisions it shall immediately become incumbent upon the board of directors to remove such director from office.

Nothing in this section shall be construed to affect in any manner whatsoever the validity of any action or any meeting of the board of directors.



#### **Section 4. Nominations.**

At least ninety (90) days before the date of a meeting of the members at which directors are to be elected, the board of directors shall appoint the committee on nominations consisting of not less than five (5) nor more than eleven (11) members with at least one (1) member from each of the districts from which a director shall be elected at the next meeting of the members. No officer or member of the board of directors shall be appointed a member of such committee. The President and the General Manager shall provide the committee on nominations with procedural instructions and any other information that the committee requires for its duties. The committee on nominations shall contact the members whose names are to be placed in nomination and obtain their consent for such action. The committee on nominations shall prepare and post at the principal office of the Corporation at least twenty (20) days before the meeting, a list of nominations for the directors. Any twenty-five (25) or more members from a district may nominate another candidate who meets the qualification requirements set forth in Article III, Section 3 in writing over their signature not less than seventy-five (75) days prior to the annual meeting for a director position from that district and the Secretary-Treasurer shall post the same at the place where the list of nominations made by the committee is posted. The Secretary-Treasurer shall mail to each member at least ten (10) days before the meeting a statement of the number of directors to be elected, the nominees designated by the committee on nominations and separately the nominations made by petition, if any. Notwithstanding, anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

#### **Section 5. Removal of Directors and Officers.**

A director or officer may be removed for cause any time by the members pursuant to the procedure specified in this section. Any member may bring charges specifying the causes for removal against the director by filing the charges in writing with the secretary-treasurer together with petitions signed by ten percent (10%) of the Corporation's members who request the removal of the director. The petition shall contain the specific charges of misconduct and the signature and address of each member on the petition.

The removal issue shall be considered at the next regular or special meeting of the members at which a quorum required by Article II is present in person. Directors who are not subject to the removal petition shall determine if the charges and the petition are in proper form and, if so, the secretary-treasurer shall provide written notice of the charges to each director against whom charges have been brought at least thirty (30) days prior to the meeting.

The members bringing the charges shall have an opportunity at the meeting of the members to present evidence by witnesses or documentation, either in person or by counsel. Each director charged with misconduct shall then have the right to respond to evidence, to examine all witnesses and to present evidence, in person or by counsel.

After presentation of evidence and arguments, the membership shall vote by secret ballot on the question of whether the director shall be removed. In the event there is more than one (1) director sought to be removed, a separate vote shall be taken as to each director. A majority vote of the members present and

voting is required to remove a director. Upon removal, the vacancy shall be filled as provided in Article III, Section 6.

The term “for cause”, as used in this section, is defined as being malfeasance in office, that is, the commission of an act which is unlawful or which interrupts or interferes with the performance of official duties.

Any director who fails to attend at least half of the regular meetings of the board of directors in a twelve (12) month period, unless such absences are attributable to illness, injury, or other just cause as determined by the President, may be removed from office by the majority of a quorum of the board of directors at a regular or special meeting. Upon removal, the vacancy shall be filled as provided in Article III, Section 6.

#### **Section 6. Vacancies.**

Any vacancies occurring in the board of directors shall be filled by a majority vote of the remaining directors. Directors thus elected shall serve for the balance of the unexpired term or until their successors shall have been elected by the members and shall have qualified. In the event the staggered three (3) year term for a vacant director seat is out of sequence, the remaining directors, when adopting a resolution to fill the vacancy, may adjust the balance of the term to re-establish the staggered three year terms so directors are elected in each of three successive years. Notwithstanding the foregoing, the board of directors may refrain from filling a vacancy if the board determines, in its sole discretion, the best interests of the Corporation would be served by allowing the position to remain vacant until the expiration of the vacant director’s term.

#### **Section 7. Compensation and Expense.**

- (a) Except in emergencies no director shall be entitled to receive compensation for services rendered to the Corporation in any capacity except as a director.
- (b) The board of directors and members of committee duly appointed, including the Nominating Committee, shall also be entitled to receive a reasonable per diem for their services, to be reimbursed for their actual expenses, if any, and to receive a reasonable mileage reimbursement while traveling on official business for the Corporation.

#### **Section 8. Rules and Regulations.**

The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation, or these by-laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

#### **Section 9. Accounting System and Reports.**

The board of directors shall cause to be established and maintained a complete accounting system, which among other things, shall conform to such accounting system as may from time to time be required by the Corporation’s primary secured lender. The board of directors shall, after the close of each

fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Corporation as of the end of such fiscal year.

## **ARTICLE IV MEETINGS OF DIRECTORS**

### **Section 1. Regular Meeting.**

A regular meeting of the board of directors shall be held without notice immediately after and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held at such time and place as the board of directors may provide by resolution. Such regular 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 directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

### **Section 3. Notice.**

Notice of the time, place and purpose of any special meeting of the board of directors shall be given at least twenty-four (24) hours previous thereto, by written notice, delivered personally or mailed, to each director at his or her last known address or delivered electronically to the electronic mail address or other electronic method provided by the director. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. If transmitted electronically, the notice shall be deemed delivered when transmitted to the electronic mail address or other electronic method provided by the director for electronic communications. The attendance of a director at any meeting shall constitute a waiver of notice of such meetings, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

### **Section 4. Quorum.**

A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors; provided that if less than a majority of the directors are present at the meeting a majority of the directors present may adjourn the meeting from time to time without further notice.

### **Section 5. Manner of Acting.**

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

#### **Section 6. Meeting by telephonic methods.**

One or more directors may participate in a regular or special meeting by telephonic or electronic media which permits the director or directors not physically present for the meeting to hear, be heard, and participate in the business brought before the board during the course of the meeting.

### **ARTICLE V OFFICERS**

#### **Section 1. Number.**

The officer of the Corporation shall be a president, vice-president, secretary-treasurer, assistant secretary-treasurer, and such other officers as may be determined by the board of directors from time to time.

#### **Section 2. Officers, Election and Term of Office.**

The officers shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the members. The president and vice-president shall be elected from the members of the board of directors and secretary-treasurer and such other officers as may be determined by the board of directors from time to time, may be, but shall not be required to be, from the members of the board of directors. 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 directors following the next succeeding annual meeting of the members or until his or her successor shall have been duly elected and shall have qualified, subject to the provisions of these by-laws with respect to the removal of officers.

#### **Section 3. Removal.**

Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Corporation will be served thereby.

#### **Section 4. Vacancies.**

Except as otherwise provided in these by-laws, a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

#### **Section 5. President.**

The president:

- (a) shall be the principal executive officer of the Corporation and shall preside at all meetings of the members and of the board of directors;

- (b) shall sign, with the secretary-treasurer, 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 Corporation, 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 directors from time to time.

#### **Section 6. Vice-President.**

In the absence of the president, or in the event of his or her inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all restrictions upon the president and shall perform such other duties as from time to time may be assigned by the board of directors.

#### **Section 7. Secretary-Treasurer.**

The secretary-treasurer shall:

- (a) keep the minutes of the meetings of the members and the board of directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these by-laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these by-laws.
- (d) keep a register of the post office address of each member which shall be furnished to the secretary-treasurer by such member;
- (e) have general charge of the books of the Corporation in which a record of the members is kept;
- (f) keep on file at all times a complete copy of the by-laws of the Corporation containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Corporation forward a copy of the by-laws and of all amendments thereto to each member, and
- (g) in general perform all the duties incident to the office of secretary-treasurer and such other duties as from time to time may be assigned by the board of directors.
- (h) the assistant secretary-treasurer shall perform the duties of the secretary-treasurer in the event the secretary-treasurer fails to act or is absent.
- (i) certify nominations for director candidates.

- (j) have charge and custody of and be responsible for all funds and securities of the Corporation;
- (k) receive and give receipt for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these by-laws; and
- (l) in general perform all the duties incident to the office of secretary-treasurer and such other duties as from time to time may be assigned by the board of directors.
- (m) The assistant secretary-treasurer shall perform the duties of the secretary-treasurer in the event the secretary-treasurer fails to act or is absent.

#### **Section 8. Manager.**

The board of directors may appoint a person as manager who may be, but who shall not be required to be, a member of the Corporation. The manager 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 to the manager.

#### **Section 9. Bonds of Officers.**

The board of director shall require the secretary-treasurer and any other officer of the Corporation charged with the 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 Corporation to give bond in such amount and with such surety as it shall determine.

#### **Section 10. Reports.**

The officers of the Corporation shall submit at or distribute to members prior to each annual meeting of the members reports covering the business of the Corporation for the previous fiscal year and showing the condition of the Corporation at the close of such fiscal year.

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

#### **Section 1. Contracts.**

Except as otherwise provided in these by-laws, the board of directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, 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 otherwise evidence of indebtedness issued in the name of the Corporation shall be signed by such officers, agents, or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

## **Section 3. Deposits.**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the board of directors may select.

# **ARTICLE VII REVENUE AND RECEIPTS**

## **Section 1. Interest or dividends on capital prohibited.**

The Corporation 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 Corporation on any capital furnished by its members.

## **Section 2. Patronage capital in connection with furnishing electric energy.**

In the furnishing of electric energy the Corporation's operations shall be so conducted that all members will, through their patronage, furnish capital for the Corporation. In order to induce patronage and to insure that the Corporation will operate on a non-profit basis, the Corporation is obliged 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 Corporation are received with the understanding that they are furnished by the members as capital.

The Corporation is obligated to pay by credits to a capital account for each member, all such amounts in excess of operating costs and expense. The books and records of the Corporation shall be set up and kept in such 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 records to the capital account of each member, and the Corporation shall within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his or her account. Individual notices of such amounts furnished by each member shall not be required if the Corporation notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may obtain such information or calculate and determine the specific amount of capital so credited to him or her. All such amounts credited to the capital account of any patron 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 patron had then furnished the Corporation corresponding amounts for capital.

All other amounts received by the Corporation from its operations in excess of costs and expenses shall, in so far 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 an equitable patronage basis as determined by a resolution of the board of directors 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 a dissolution or liquidation of the Corporation after all other outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro-rated 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 directors shall determine that the financial conditions of the Corporation will not be impaired thereby, capital credits then credited to member's accounts may be retired in full or in part. Any such retirement of the capital credits shall be made at the discretion of the board and as set out in a resolution duly adopted by the board of directors.

Capital credits credited to the account of each member shall be assignable only on the books of the Corporation pursuant to written instructions from the absent owner and only to successors in interest or successors in occupancy in all or part of the member's premises served by the Corporation 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, in its sole discretion, shall have the power, on the death of a member if the legal representative of his or her estate shall so request in writing, to retire such capital credited to any such deceased member immediately on a discounted basis and upon such terms and conditions as the board of directors, acting under policies of general application, shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

The board of directors shall at all times require that the books of the Corporation shall be so kept that any member's interest for any year in any such capital credits may be determined at any time.

### **Section 3. Patronage capital in connection with power supply cooperatives.**

Capital credits received from the power supplier for the Corporation and any other not-for-profit corporation for which the Corporation receives capital credits shall be maintained as separate capital credit accounts of the patrons of the Corporation and shall be allocated to the accounts of the patrons of the Corporation in the year in which the Corporation receives official written notice that the power supplier or other not-for-profit organization has allocated capital credits to the Corporation. The separate capital credits received that are credited to the special capital accounts of the patrons of the Corporation shall not be retired or distributed to the patrons until such time as capital credit has been actually distributed by the power supplier or other not-for-profit corporation to the Corporation and until such time as the Board of Directors of the Corporation, by appropriate resolution duly adopted and passed, authorize the distribution of these special capital credits to the accounts of the patrons. No notice of the allocation of these special capital credits need be given to the patron, but the patron's special capital credit account shall be available for the patron's inspection.



#### **Section 4. Unclaimed Property.**

Notwithstanding any provisions herein contained to the contrary and pursuant to the statutes of the State of Indiana (I.C. 8-1-13-11) the Corporation shall recover after a period of two (2) years any unclaimed stocks, dividends, capital credits, patronage refunds, utility deposits, membership fees, account balances or book equity for which the owner (member or former member) cannot be found and are the result of distributable savings of the corporation, giving 60 days notice in a newspaper or newsletter printed in the English language and circulated in the county in which the Corporation locates its general headquarters. Such notice shall state the owner's name and approximate amount of the owner's interest, and that if not duly claimed within sixty (60) days of the notice the same shall be turned over to the Corporation, which shall either be donated to a charitable not-for-profit organization or reallocated to other members, as the board may decide.

If no provable claim shall have been filed by such member within sixty (60) days after the one-time publication of the notice, the Corporation may credit against the account any amounts due and owing the Corporation by the member and thereafter either: (i) donate the balance of the account to a charitable not-for-profit organization; or (ii) allocate the balance of the account to the other members of the Corporation on a pro rata basis who are members as of and for the year in which the sixtieth (60<sup>th</sup>) day after the published notice falls, as the board may decide.

If any member or former member or assignee of a membership patronage account fails to claim any cash retirement or capital credit or other payment under this section within two (2) years after payment has been made available to such person, such failure will constitute an irrevocable assignment and gift to the Corporation of such capital credits or other payments.

### **ARTICLE VIII WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these by-laws.

### **ARTICLE IX DISPOSITION OF PROPERTY AND FINANCING**

The Corporation shall not sell, lease, or otherwise dispose of all, or substantially all, the property of the Corporation unless the same shall be authorized by a resolution duly adopted at a meeting of its members duly called and held as provided by law or these by-laws, which resolution shall have received the affirmative votes of a majority of all its members.

The board of directors of the Corporation shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust of, or the pledging or encumbering of, any or all the property, assets, rights, privileges, licenses, franchises, and permits of the Corporation, whether acquired or to be acquired and wherever situated, as well as the revenues therefrom, for the

purpose of financing the construction or maintenance of the Corporation's distribution or transmission system or systems and for general plant as defined in the Uniform System of Accounts, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the Corporation to any federal agency or any financial institution.

The Corporation shall have power and is hereby authorized, from time to time, to issue its obligations in anticipation of its revenues for any corporate purpose. The obligations may be authorized by resolution or resolutions of the board and may bear such date or dates, mature at such time or times not exceeding forty (40) years from their respective dates, bear interest payable semi-annually at such rates or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, not exceeding par and accrued interest, as such resolution or resolutions may provide. Such obligations may be sold in such manner and upon such terms as the board of directors may determine, at not less than par and accrued interest. Any provisions of law to the contrary notwithstanding, or any obligations in the interest coupon appertaining thereto, if any, issued pursuant to this chapter, shall possess all of the qualities of negotiable instruments.

## **ARTICLE X FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

## **ARTICLE XI MEMBERSHIP IN OTHER ORGANIZATIONS**

### **Section 1. Membership in other Organizations.**

The board of directors shall have full power and authority on behalf of the Corporation to purchase stock in or become a member of, any limited liability company, corporation, or cooperative for the purpose of furthering the Corporation's objectives.

### **Section 2. Attending Meetings of Other Organizations.**

The board of directors shall have authority to specify and appoint the persons, including the directors themselves, to attend the meetings of other organizations to which the Corporation may belong, and to pay or reimburse such persons for their actual expenses incurred in traveling to and from the meetings and including the payment of a reasonable mileage at a rate per mile to be fixed by resolution duly adopted by the board of directors, where the person furnishes his or her own automobile for the trip: Provided, however, that each such person making such trip shall furnish and place on file in the office of the Corporation a signed, itemized statement showing his or her own personal expenses, together with the number of miles necessarily traveled in making the trip.

## **ARTICLE XII SEAL**

The Corporate seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Indiana."

## **ARTICLE XIII AMENDMENTS**

These by-laws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the board of directors at any regular or special meeting. The notice of the meeting shall contain a copy of the proposed alterations, amendments or repeal to be considered at the meeting.

## **ARTICLE XIV INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation shall indemnify and hold harmless any person made, or threatened to be made, a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative) ("Proceeding") by reason of the fact that he or she is or was a director, officer or employee of the Corporation, or of any such other corporation, partnership or enterprise of which he or she served as such at the request of the Corporation, against liability and all expenses actually and reasonably incurred by him or her in connection with the defense of such action, suit or proceeding or in connection with any appeal thereof, provided:

- (1) The person met the following "Indemnification Standard of Conduct":
  - a. the person acted in good faith;
  - b. the person reasonably believed: (A) that, for conduct undertaken on behalf of or in connection with the Corporation, the person's conduct was in the Corporation's best interest; and (B) for all other conduct, that the person's conduct was not opposed to the Corporation's best interests; and
  - c. in the case of any criminal proceeding, the person had no reasonable cause to believe the person's conduct was unlawful; and
- (2) The Proceeding is not:
  - a. by or on behalf of the Corporation in which the Indemnified Person was adjudged liable to the Cooperative; or
  - b. alleging the person received improper personal benefit to which the Indemnified Person was not entitled, whether or not involving action in the Indemnified Person's official capacity.

If the matter is settled prior to final adjudication, then the issue of whether the person met the Indemnification Standard of Conduct shall be determined by a majority vote of at least a quorum of the directors who are unaffected by self-interest in connection with the matter in issue. If a quorum of directors unaffected by self-interest does not exist, indemnification may be made upon receipt of a written opinion from independent legal counsel that the person is entitled to indemnification as set forth herein. Consideration may be given to whether the person took or omitted to take action in reliance of advice of legal counsel for the Corporation or upon statements made or information furnished

by officers, employees or agents of the Corporation which he or she had reasonable grounds to believe.

The term “expense” as used herein shall include, but shall not be limited to, attorney fees, consultant fees, costs and disbursements paid by or on behalf of a director, officer, employee or agent.

Notwithstanding anything to the contrary herein, any such person who has been successful, on the merits or otherwise, with respect to the defense of any claim, suit, action or proceeding as described herein, shall be entitled to indemnification as a matter of right.

If several claims, issues or matters of action are involved, any such person may be entitled to indemnification as to some matters even though he or she is not entitled as to others matters.

The Corporation may, but is not obligated to, advance expenses to or, where appropriate, may at its expense undertake the defense of any such person if: (1) the person furnishes the Corporation a written (A) affirmation of the person’s good faith belief that the person has met the Indemnification Standard of Conduct; and (B) obligation for repayment by or on behalf of the person if it should ultimately be determined that he or she is not entitled to indemnification hereunder; and (2) a majority of the directors unaffected by self-interest determines that the facts then known to them would not preclude indemnification for the person under this Bylaw.

The provisions of this section shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from actions or omissions to act during, before or after the date of adoption.

The rights of indemnification provided hereunder shall be in addition to any rights to which any person concerned may otherwise be entitled by contract or as a matter of law and shall inure to the benefit of the heirs or personal representative of such person.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the corporation, partnership or enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against liability under the provisions of this section or otherwise.