

# BYLAWS

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## MEMBERSHIP

### Section 1.01 Requirement for Membership

- (A) Any person of adult age, firm, association, corporation or body politic, or subdivision thereof, may become a member in Tri-County Electric Cooperative, Inc. (hereinafter referred to as "the Cooperative") upon receipt of electric service from the Cooperative, provided that he/she/it has first:
- (1) Made and filed a written application for membership therein;
  - (2) Agreed to purchase electric energy from the Cooperative as hereinafter specified;
  - (3) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative then existing or thereafter adopted and any Terms and Conditions of Service adopted by the Board of Trustees;
  - (4) Paid or made satisfactory arrangement for payment of any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or executed any supplemental contract that may be required; and
  - (5) Paid any outstanding account plus accrued interest thereon at a reasonable rate as from time to time established by the Board of Trustees and in effect when such account first became overdue, compounded annually.
- (B) No member may hold more than one (1) membership in the Cooperative. However, there shall be no limit on the number of connects/meters/accounts that can be held by one (1) member. Multiple connects/meters/accounts held by a member shall not entitle said member to additional votes on any matter submitted to the members in accordance with these Bylaws.

### Section 1.02 Acceptance into Membership

- (A) Upon complying with the requirements set forth in Section 1.01, an applicant shall automatically become a member on the date of his/her/its connection for electric service; **PROVIDED**, the Cooperative may reject or deny an application and refuse to furnish service, or to continue service it has already begun furnishing, if prior to connection of service it determines, or thereafter it discovers, that the applicant is not willing or able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be, or should have been, denied for other good cause, including but not limited to the fact that furnishing service to the applicant would be or is in violation of one or more of the Cooperative's Terms and Conditions of Service; **PROVIDED**, any person so denied and/or refused shall have the right to be heard on the matter by the Board of Trustees upon timely filing a written request therefore.
- (B) No membership in the Cooperative shall be transferable except as provided in these Bylaws.

### Section 1.03 Joint Membership

- (A) A husband and wife may apply for a joint membership and subject to their compliance with the requirements set forth in Section 1.01 of this Article, may be accepted for such membership. The term "member" as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by

or in respect to the holders of a joint membership shall be as follows:

- (1) The presence at a meeting of either or both shall be regarded as the presence of one (1) member and shall constitute a joint waiver of notice of the meeting;
  - (2) The vote of either separately or both jointly shall constitute one (1) joint vote;
  - (3) In the event of disagreement, each spouse shall be entitled to cast one-half (1/2) vote;
  - (4) A waiver of notice signed by either or both shall constitute a joint waiver;
  - (5) Notice to either shall constitute notice to both;
  - (6) Expulsion of either shall terminate the joint membership;
  - (7) Withdrawal of either shall terminate the joint membership;
  - (8) Either but not both may be elected or appointed as an officer or trustee, provided that both meet the qualifications for such office.
- (B) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his/her spouse to comply with the Articles of Incorporation, Bylaws now existing or hereafter adopted, and Terms and Conditions of Service adopted by the Board of Trustees.
- (C) Upon the death of either spouse who is a party to the 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, however, that the estate of the deceased shall not be released from any debts due the Cooperative or to allow the legal representative of the decedent's estate to request early retirement of Capital Credits earned by the joint membership. Upon 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. When the joint membership ceases, the Cooperative shall amend the membership records to identify the surviving spouse or the party who continues to directly occupy the premises covered by the membership as the member.

#### Section 1.04 Membership Fee

- (A) There shall be no fee for membership in the Cooperative, except that the member may be required to make a contribution in aid of construction in the event construction is required to serve said member. Member may also be required to make a security service deposit in an amount determined by the Cooperative unless the service requested is exempt from such a deposit under the Terms and Conditions of Service governing the operations of the Cooperative.

#### Section 1.05 Purchase of Electric Energy

- (A) Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his/her/its application for membership, and shall pay for such energy in accordance with the rates which shall from time to time be fixed by the Board of Trustees and approved by such regulatory authority, if any, having jurisdiction to govern the rate making function of this Cooperative; provided, however, that the Board of Trustees may, in its discretion and in the best interest of the Cooperative, limit the amount of electric energy which the Cooperative shall be required to furnish to any one (1) member.
- (B) Each member shall pay to the Cooperative such minimum amount, regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time, and as may be reasonable. Each member shall also pay all amounts owed by him/her/it to the Cooperative as and when the same shall become due and payable.
- (C) 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 the Bylaws.
- (D) It is expressly understood that where the member has two (2) or more accounts, payment for service shall be deemed to be allocated and credited on a pro-rata basis to all outstanding accounts, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.
- (E) Production or use of electric energy by member by means interconnected with Cooperative's facilities shall be subject to law, Terms and Conditions of Service of the Cooperative and the rules and regulations of any governing body having jurisdiction over Cooperative.

#### Section 1.06 Furnishing of Electric Energy

- (A) Although, the Cooperative cannot and therefore does not guarantee a continuous and uninterrupted supply of electric energy, the Cooperative will use reasonable diligence to furnish adequate and dependable electric service.

#### Section 1.07 Access to Electrical Facilities

- (A) 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 electrical service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair thereof at all reasonable times.
- (B) 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/her/its best efforts to prevent others from so doing. In the event such facilities are

interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance could have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing and/or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment.

- (C) In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on the premises or beyond the combination circuit breaker-meter base panel if such is owned and maintained by the Cooperative, except that the Cooperative shall, in accordance with its applicable Terms and Conditions of Service, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment. The member shall indemnify the Cooperative for any undercharges for service.

#### Section 1.08 Member to Grant Easements to Cooperative and Participate in Required Load Management Programs

- (A) Upon request by the Cooperative, each member shall, upon fair and equitable terms as determined under federal and state law, grant the Cooperative such easements and rights-of-way on, over, across, and under lands owned by, or leased by or to, or mortgaged to the member as are needed for the furnishing of electrical service or for the construction, operation, maintenance, or relocation of the Cooperative's electric facilities.
- (B) Each member shall participate in any required program that may be established by the Cooperative to enhance load management, or to more efficiently utilize or conserve electric energy, or to conduct load research. Further, the member shall comply with all rates, and Terms and Conditions of Service relating to said programs.

#### Section 1.09 Termination of Membership

- (A) Any member may withdraw from membership upon compliance with the Cooperative's Terms and Conditions of Service. The Board of Trustees may, upon affirmative vote of not less than two-thirds (2/3) of the trustees present at a duly called meeting, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or Terms and Conditions of Service adopted by the Board of Trustees, but only if such member shall have been given written notice by the Cooperative that such failure makes him/her/it liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given.
- (B) Upon application, any expelled member may be reinstated by majority vote of the Board of Trustees at a duly called meeting. Further, any expelled member may be reinstated by majority vote of the members at any annual or special meeting PROVIDED, said member has delivered a written request for such consideration to the Cooperative at least five (5) days prior to such meeting.
- (C) Upon the notification of withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall terminate. Termination of a membership shall not release a member or his/her/its estate from any debts due to the Cooperative.
- (D) Except as provided in Section 1.03, the death of a natural person shall automatically terminate his/her membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; except that upon the dissolution of a partnership, such membership shall continue to be held solely by such remaining partner or partners as were parties to the original membership who continue to occupy or use the premises covered by such membership.
- (E) In case of withdrawal or termination of membership, the Cooperative shall repay any security deposit, paid by

the member; provided that the Cooperative shall deduct the amount of any debts or obligations owed by the member to the Cooperative from any refund payable.

#### Section 1.10 Acceptance of Members Retroactively

- (A) Upon discovery that the Cooperative has been furnishing electric service to any person or entity that is not a member and said person or entity is not exempted from the requirement to be a member, the Cooperative shall cease furnishing service unless the person or entity applies for membership retroactively to the date service was first provided. The Cooperative shall correct its membership and all related records accordingly, unless the application is rejected or denied in accordance with these Bylaws.

## ARTICLE II. RIGHTS AND LIABILITIES OF MEMBERS

### Section 2.01 Property Interest of Members

- (A) Upon dissolution, after the occurrence of the following:
- (1) All debts and liabilities of the Cooperative shall have been paid; and
  - (2) All capital furnished through patronage shall have been retired as provided in these Bylaws.
- (B) The remaining property and assets of the Cooperative shall be distributed among the members and former members of record in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten (10) years preceding the date of the filing of the certificate of dissolution, unless otherwise provided by law.

### Section 2.02 Non-Liability for Debts of the Cooperative

- (A) The private property of the members shall be exempt from liability for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

### Section 2.03 Right of Member to a Hearing on Grievance

- (A) Any member who has a complaint arising from any service performed by the Cooperative for that member, and who feels his/her/its complaint is not satisfactorily settled by the discussion and negotiation with the proper operational personnel of the Cooperative, shall submit a request in writing to the Board of Trustees of the Cooperative for an opportunity to present his/her/its case to the Board of Trustees in accordance with the policies of the Cooperative.

## ARTICLE III. MEETINGS OF MEMBERS

### Section 3.01 Annual Meeting

- (A) The annual meeting of the members shall be held at such date, time and location as determined by the Board of Trustees. Such date, time and location shall be designated in the notice of the meeting.
- (B) Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

### Section 3.02 Special Meetings of the Members

- (A) Special meetings of the members may be called by:
  - (1) Resolution of the Board of Trustees;
  - (2) By a written request signed by any three (3) Board members;
  - (3) By the President; or
  - (4) By not less than ten percent (10%) of all members.
- (B) It shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

### Section 3.03 Notice of Meetings of the Members

- (A) Written or electronic notice of a meeting of the members shall be given to each member personally, electronically or by mail not less than ten (10) nor more than twenty-five (25) days before the date of said meeting.
- (B) The notice shall state the location, date and time of the meeting. If business other than that set out in Section 3.06 of these bylaws is to be considered, the purpose(s) for which the meeting is held shall be stated.
- (C) Notice shall be given by or at the direction of the Secretary of Cooperative's Board of Trustees. Upon default by the Secretary, notice shall be given by or at the direction of the person(s) calling the meeting.
- (D) If notice is given by mail, it shall be deemed to have been delivered when deposited in the U.S. Mail, postage prepaid and addressed to member at member's address as it appears in the records of Cooperative.
- (E) If notice is given electronically, it shall be deemed to have been delivered when transmitted to member's electronic address as it appears in the records of Cooperative.
- (F) The failure of any member to receive notice of a meeting shall not invalidate any action taken by the members at the meeting.
- (G) If an annual or special meeting of the members is adjourned for lack of a quorum or by vote of the members, such meeting shall not be convened again prior to thirty (30) days from the date of such adjournment.

### Section 3.04 Quorum

- (A) Five percent (5%) of all members present in person and not by proxy shall constitute a quorum for the transaction of business at any annual or special meeting of the members. Five percent (5%) of the members from a district, present in person and not by proxy shall constitute a quorum for the transaction of business at any meeting conducted within and for that district.

### Section 3.05 Voting

- (A) Each member shall be entitled to only one (1) vote on each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Voting by proxy shall not be permitted.
- (B) 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 meeting, of satisfactory evidence entitling the person presenting the same to vote.
- (C) The Board of Trustees shall, at least ten (10) days before any meeting of the members, appoint a credentials and election committee consisting of an uneven number of members, not less than three (3) nor more than fifteen (15), who are not Trustees, and who are not close relatives or members of the same household of existing Trustees, or known candidates for Trustees to be elected at such meeting. In appointing a committee, the Board shall have regard for equitable representation of the several areas served by the Cooperative. It shall be the responsibility of the Committee to pass upon all questions that may arise with respect to the registration of members, to count all ballots cast in any ballot vote taken, and to rule upon the effect of any ballots irregularly marked. The Committee's decisions on all such matters shall be final.

### Section 3.06 Order of Business

- (A) 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) Quorum report;
  - (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 reports of officers, trustees and committees, if any.
  - (5) Introduction of trustees elected at district meetings;
  - (6) Unfinished business;
  - (7) New business; and
  - (8) Adjournment.
- (B) Notwithstanding the foregoing, the Board of Trustees or the members themselves may, from time to time, establish a different order of business.

- (C) 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.
- (D) The President of the Board of Trustees of the Cooperative shall preside at all meetings of the Board of Trustees and members, unless provided otherwise by these bylaws or by action of the Board of Trustees.

## ARTICLE IV. TRUSTEES

### Section 4.01 General Powers

- (A) The business and affairs of the Cooperative shall be managed by a Board of nine (9) trustees, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws, conferred upon or reserved to the members.

### Section 4.02 Voting Districts

- (A) The territory served or to be served by the Cooperative shall be divided into nine (9) districts, each of which shall contain as nearly as possible the same number of members. Each district shall be represented by one (1) trustee.
- (B) Not less than sixty (60) days before any meeting of the members at which trustees are to be elected, the Board of Trustees shall review the composition of the districts. If it is determined that inequalities in representation exist, the Board of Trustees shall reconstitute the districts so that each shall contain as nearly as possible the same number of members.

### Section 4.03 Qualifications, Classifications and Tenure

- (A) The trustees of the Cooperative are divided into three (3) classes designated A, B and C. Class A trustees consists of trustees representing Districts One (1), Five (5) and Seven (7). Class B trustees consists of trustees representing Districts Three (3), Four (4) and Nine (9). Class C trustees consists of trustees representing Districts Two (2), Six (6) and Eight (8).
- (B) The terms of the classes of trustees are staggered so that one (1) class of trustees is elected at district meetings each year based on Class C trustees being first elected in 1983.
- (C) Trustees shall be elected at district meetings called for that purpose.
- (D) All duly elected and qualified trustees shall serve for the term of three (3) years or until their successors are elected and qualified, subject to the provisions of these Bylaws with respect to the removal of trustees. The term shall commence immediately following the next annual meeting and shall terminate at the annual meeting three (3) years after election.
- (E) If the election of trustees is not held on the day designated for the district meeting, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient and practical.
- (F) No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative unless that person:
- (1) Is a member of the Cooperative;
  - (2) Is at least eighteen (18) years of age;
  - (3) Has been a member at his/her primary residence for a period of not less than one (1) year prior to the filing date for the trustee position;

- (4) Has been an actual resident and member of the district from which the trustee is to be elected for at least one (1) year prior to filing for trustee position.
  - (5) Is not, in any way, employed by or financially interested in a business, company or enterprise that is:
    - a) Competing with the Cooperative;
    - b) Selling electric energy or supplies to the Cooperative;
    - c) Primarily engaged in selling electric appliances, fixtures or supplies to the members of the Cooperative.
  - (6) Is not an employee or former employee of the Cooperative; and
  - (7) Is not a close relative of an employee of the Cooperative or a trustee who will remain on the Board of Trustees.
- (G) No person shall be eligible to become or remain a trustee who:
- (1) Has pled guilty or no contest to, or has been convicted of a felony;
  - (2) Has pled guilty or no contest to, or has been convicted of any charge relating to any of the following:
    - a) Defrauding a utility;
    - b) Altering, tampering with or injuring or allowing the altering, tampering with or injuring any pipeline, line, wire, conduit, conductor, meter, meter seal, transformer or other equipment used by a utility to deliver or register service;
    - c) Preventing any installed metering device from correctly registering the quantity of service passing through such metering device; or
    - d) Using electricity in any way without the consent of a utility.

#### Section 4.04 Election of Trustees

- (A) Candidates for trustee shall file for the position and be certified as a candidate as follows:
- (1) Each year, not less than thirty (30) days nor more than sixty (60) days before the annual meeting of the members, the Board of Trustees shall call a district meeting of the members of each district whose trustee's term is expiring for the purpose of electing a trustee. The notice of the district meeting shall be delivered to each member located in the district as provided in Section 3.03 of these Bylaws. The notice shall set out the member's district; the date, time and location of the meeting; and shall inform the member that the purpose of the meeting is to elect a trustee to represent that district. The meeting shall be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting.
  - (2) Any member of a district who desires to be a candidate for election as trustee for that district shall file written notice with the Secretary or Chief Executive Officer of the Cooperative. The notice shall be on a form provided by the Secretary and shall be verified by the person seeking candidacy. The

notice must be returned to and received by the Secretary or the Chief Executive Officer of the Cooperative at the business office of the Cooperative in Hooker, Oklahoma, not less than ten (10) days nor more than twenty (20) days prior to the date of the district meeting at which the trustee will be elected.

- (3) The Secretary of the Cooperative shall then issue a written certification of the qualified candidates for the position of trustee to the district meeting. Only those persons certified by the Secretary shall be eligible for election.
- (4) In the event that no member files notice of candidacy or if no candidates are certified as qualified, the position shall be declared vacant by the Board of Trustees at their next regular meeting. The position shall be filled in accordance with Section 4.06 of these bylaws.

(B) The district meeting and voting at the meeting shall be conducted as follows:

- (1) The district meeting shall be called to order by the trustee representing the district or by another designated representative of the Board of Trustees, or in their absence, by any member residing within the district. The members shall then elect a member of the district as chairperson of the meeting. The chairperson shall be someone other than a trustee or a candidate for trustee. The chairperson shall appoint a secretary to act for the duration of the meeting. Members of other districts present at the meeting shall not be counted for quorum purposes. Members from other districts may be heard at the meeting but shall have no vote.
- (2) Voting shall be by secret ballot. Proxy voting shall not be permitted at any district meeting. Each member of the district who is present in person at the meeting shall be entitled to one vote per ballot.
- (3) If only one candidate files for the trustee position, that person shall become the trustee for the district by receiving a majority of the votes cast at the district meeting. If the candidate does not receive a majority of the votes cast, the position shall be declared vacant by the Board of Trustees at their next regular meeting. The position shall be filled in accordance with Section 4.06 of these bylaws.
- (4) If two or more candidates file, the trustee shall be elected as follows:
  - a) If two candidates file, the candidate receiving the highest number of votes shall be elected.
  - b) If there are more than two candidates and one candidate receives more than one-half of the votes cast, that candidate shall be elected.
  - c) If there are more than two candidates and no one receives more than one-half of the votes cast on the first ballot, the two candidates receiving the highest number of votes shall be declared the candidates on a second ballot. The candidate receiving the highest number of votes shall be elected.
- (5) The candidate receiving the highest number of votes shall be certified by the chairperson and secretary of the district meeting as the elected trustee of the district. The minutes of the district meeting shall set forth, among other matters, the name of the person elected at the meeting. A Certification of Election signed by the secretary and chairperson of the district meeting shall be sent to the Secretary of the Cooperative within five (5) days after the district meeting.
- (6) In the event a quorum cannot be obtained at a district meeting, the trustee serving the district shall be declared the trustee from that district until such time as he/she is replaced in accordance with these

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- (C) Any member desiring to protest the election of a trustee shall file a written protest setting out the facts and circumstances of said protest with the Secretary of the Cooperative within five (5) days after the date of the election. The Board of Trustees shall consider the protest in a regular meeting if timely and if not, in a special meeting held at least one (1) day prior to the annual meeting of members. Three (3) days written notice of the special meeting shall be given to the Board of Trustees, the trustee-elect and to the protesting party(ies). The protesting party(ies) shall be entitled to be heard in person or by counsel and to present evidence at the meeting. The validity of the protested election shall be determined by a majority vote of the trustees. If the protest is upheld, the President shall declare the nomination vacant and the vacancy shall be filled by a special meeting of the members of that district held immediately prior to the annual meeting.

#### Section 4.05 Removal of Trustees by Members

- (A) Members of a district may request removal of their trustee by filing written charges, together with a petition signed by at least ten percent (10%) of the members of that district with the Secretary of the Board of Trustees.
- (B) The trustee shall be given written notice of the charges at least twenty (20) days prior to a district meeting of the members of that district at which the charges are to be considered.
- (C) Members shall be given notice of the meeting in accordance with these Bylaws.
- (D) At the meeting, the trustee and the member(s) bringing the charges shall have an opportunity to be heard in person or by counsel, and to present evidence relative to the charges.
- (E) The removal/non-removal of the trustee shall be determined by majority vote of the members of that district present in person and casting a vote at the meeting.
- (F) Any vacancy created by the removal of a trustee shall be filled in accordance with Section 4.06 of these Bylaws.

#### Section 4.06 Vacancies

- (A) A vacancy occurring on the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining trustees. The party selected to fill the vacancy shall serve the remaining portion of that position's term.

#### Section 4.07 Compensation

- (A) Trustees shall not receive a salary for their services, except that, by resolution of the Board of Trustees, a fixed sum for each day or portion thereof and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees or for attending any meeting, conference, training seminar, or any function related to the business of the Cooperative or performing any act in behalf of the Cooperative authorized by the Board of Trustees.
- (B) No trustee shall receive compensation for serving the Cooperative in any other capacity; provided, however, that trustees shall be entitled to receive such benefits as may from time to time be offered trustees of all electric cooperatives under programs sponsored by associated organizations.
- (C) No close relative of a trustee shall receive compensation for serving the Cooperative unless the compensation

shall be specifically authorized by a vote of the members or the service by such trustee or close relative shall have been certified by the Board of Trustees as an emergency measure.

#### Section 4.08 Economic Development

- (A) The Board of Trustees is empowered to promote economic development of the general areas served by the Cooperative. Such promotion may include, but not be limited to, membership in or ownership of securities issued by other organizations engaged in such economic development; expending, investing, lending, or underwriting reasonable amounts of funds; and acquisition, through purchase, lease, option or otherwise, of land or other properties for resale, lease or sublease to institutional, commercial and industrial enterprises or other entities.

## ARTICLE V. MEETINGS OF THE BOARD OF TRUSTEES

### Section 5.01 Regular Meetings

- (A) A regular meeting of the Board of Trustees may be held without notice, other than this Bylaw, immediately after and at the same location as the annual meeting of the members.
- (B) A regular meeting of the Board of Trustees shall also be held monthly at such time and location as the Board of Trustees may provide by resolution. Such regular meetings may be held without notice other than such resolution fixing the time and location thereof.

### Section 5.02 Special Meetings of the Board of Trustees

- (A) Special meetings of the Board of Trustees may be called by the President or by any three (3) trustees. It shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and location for the holding of the meeting.
- (B) Special meetings, upon proper notice as provided in these Bylaws, may also be held via telephone conference call without regard to the actual location of the trustees at the time of such a telephone conference meeting so long as all trustees consent thereto.

### Section 5.03 Attendance at Board Meeting by Telephone or Telecommunication Device

- (A) So long as no other trustee objects, a trustee may attend and participate in a meeting of the Board of Trustees by being continuously connected thereto by telephone or other telecommunications device in such a manner that he/she may speak to and be heard by such meeting and all other trustees present may hear and speak to him/her.

### Section 5.04 Notice of Board Meeting

- (A) Written notice of the time, location (or telephone conference call) and purpose or purposes of any special meeting of the Board of Trustees or regular meeting of the Board of Trustees, when required, shall be delivered, either personally, by mail, or other suitable means at the direction of the Secretary. Upon a default in duty by the Secretary, the President or the trustees calling the meeting shall cause proper notice to be given to each trustee at least five (5) days before the date set for such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.
- (B) The attendance of a trustee at any meeting shall constitute a waiver of notice of such meeting, except a when trustee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

## Section 5.05 Quorum

- (A) A majority of the Board of Trustees shall constitute a quorum provided that if less than a majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, except as otherwise provided in these Bylaws.

## Section 5.06 Attendance

- (A) Any trustee who shall fail to attend, at a minimum, nine (9) of every twelve (12) consecutive regularly scheduled Board meetings shall automatically lose his/her status as a trustee unless the remainder of the Board of Trustees determines that such absences should be excused for justifiable cause. The remaining trustees shall declare a vacancy on the Board of Trustees from the district represented by such trustee to be filled in accordance with these Bylaws.

## ARTICLE VI. OFFICERS

### Section 6.01 Number

- (A) The officers of the Cooperative shall consist of a President, a Vice President, a Secretary and a Treasurer. The offices of Secretary and Treasurer may be held by the same person. No person shall continue to hold any of the above offices after he/she shall have ceased to be a trustee; provided that nothing contained hereinabove shall affect any person holding any of the above offices at the time of adoption of these Bylaws.
- (B) The Board of Trustees may appoint a Chief Executive Officer and such other officers, agents or employees as it deems necessary or advisable and shall prescribe the powers and duties thereof.

### Section 6.02 Election and Term of Office

- (A) The officers, except the Chief Executive Officer, shall be elected by ballot annually by and from the Board of Trustees at the first regularly scheduled meeting of the Board of Trustees held after the annual meeting of the members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as convenient.
- (B) Each officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members, or until his successor shall have been duly elected.
- (C) A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

### Section 6.03 Removal of Officers and Agents

- (A) Any officer or agent elected or appointed by the Board of Trustees may be removed by a majority vote of those trustees present at any regular meeting of the Board of Trustees or a special meeting of the Board of Trustees called for that purpose, whenever, the best interests of the Cooperative will be served thereby.
- (B) Any member of the Cooperative may request the removal of any officer of the Cooperative except the Chief Executive Officer by filing charges, in writing, with the Secretary of the Board of Trustees, together with a petition stating the charges, which is signed by ten percent (10%) of the members. The officer against whom charges have been brought shall be informed, in writing, of the charges at least twenty (20) days prior to a meeting at which the charges are to be considered. The officer shall have an opportunity to be heard in person or by counsel and to present evidence in respect of the charges at the meeting. The person(s) bringing charges against the officer shall have the same opportunity. In the event the Board of Trustees does not remove such officer, the question of his/her removal shall be considered and voted upon at the next regular or special meeting of the members.
- (C) Removal of a trustee as an officer does remove the person from the Board of Trustees.

### Section 6.04 President

- (A) The President shall:
  - (1) Be the principal officer of the Cooperative and, unless otherwise determined by the members of the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees;
  - (2) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the

Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

- (3) In general, perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Trustees from time to time.

#### Section 6.05 Vice President

- (A) 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. When so acting, he/she shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him/her by the Board of Trustees.

#### Section 6.06 Secretary

- (A) The Secretary shall be responsible for:
  - (1) Keeping the minutes of the meetings of the members and of the Board of Trustees in books provided for that purpose; or in lieu thereof, insuring that a Recording Secretary is appointed for that purpose by the Board of Trustees;
  - (2) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;
  - (3) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
  - (4) Keeping a register of the names and mailing addresses of all members;
  - (5) Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member at all reasonable times, and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and
  - (6) The general performance of all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board of Trustees.

#### Section 6.07 Treasurer

- (A) The Treasurer shall be responsible for:
  - (1) The custody of all funds and securities of the Cooperative;
  - (2) The receipt or the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
  - (3) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board of Trustees.

## Section 6.08 Delegation of Responsibilities

- (A) Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.06 and 6.07 of this Article, the Board of Trustees may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for the regular and routine administration of one (1) or more of such officers' duties to one (1) or more other officers of the Cooperative or agents who are not trustees. To the extent that the Board of Trustees does so delegate with respect to either such officer, that officer as such shall be relieved from such duties, responsibilities and authorities.

## Section 6.09 Chief Executive Officer

- (A) The Board of Trustees may appoint a Chief Executive Officer.
- (B) The Chief Executive Officer shall have general charge of all business matters of the Cooperative.

## Section 6.10 Bonds of Officers

- (A) The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board of Trustees shall determine.
- (B) The Board of Trustees, at its discretion, may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

## Section 6.11 Compensation

- (A) The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Trustees subject to the provisions of these Bylaws.

## Section 6.12 Reports

- (A) The officers of the Cooperative shall cause reports setting forth the condition of the Cooperative as of the close of the fiscal year to be made at each annual meeting of the members.

## ARTICLE VII. NON-PROFIT OPERATION

### Section 7.01 Interest or Dividends on Capital Prohibited

- (A) The Cooperative shall, at all times, be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends, other than “patronage dividends” as defined in these bylaws, shall be paid by the Cooperative on any capital furnished by its patrons.
- (B) The term “patron” as used herein shall mean only a person, firm or entity with whom the Cooperative does business on a cooperative basis, either as a member in accordance with the provisions of these bylaws or as a non-member by authorized contractual authority.

### Section 7.02 Patronage Capital

- (A) In furnishing of services of all kinds, including the furnishing of electric power and energy, the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons and assign patronage dividends in an aggregate amount equal to the Cooperative's federal taxable income related to its patronage business (computed assuming no deduction for patronage dividend amount and after reduction for any losses and deductions incurred during prior years and deductible by the Cooperative in computing its current federal taxable income. All such amounts at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital.
- (B) The Cooperative is obligated to pay by credits to a capital account for each patron, all amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.
- (C) 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. If at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts shall first be set off against patrons' indebtedness to the Cooperative. Any such retirements of capital furnished prior to April 2, 1977, 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. After April 2, 1977, the Board of Trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital.
- (D) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction of the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative, unless the Board of Trustees, acting under policies of general application, shall determine otherwise.
- (E) Notwithstanding any other provision of these Bylaws, upon the death of a patron who was a natural person and not a corporation or other business entity, the Board of Trustees shall have the power, at its discretion and upon such Terms and Conditions of Service as it deems appropriate, to cause the capital credited to such deceased patron's account to be retired prior to the time such capital would otherwise be retired under the provisions of

these Bylaws and paid to the deceased patron's estate or the deceased patron's legal representative. The amount payable to the deceased person's estate, as determined by the Board of Trustees, shall first be applied to payments of any indebtedness owed by the decedent to the Cooperative. The Board of Trustees shall have no power to cause an early retirement of capital if the financial condition of the Cooperative will be impaired.

- (F) The aggregate amounts so retired under these Bylaws including any general retirement in any one year shall not exceed the preceding accounting year's margin; and provided further, that if acting under policies of general application, this amount is not sufficient to retire the capital credited to any such patron or patrons, said patron or patrons shall have the capital credited to them retired in the next succeeding year before any retirements are made in such succeeding year.
- (G) It is the duty of every patron and of every person who has such capital credited to his/her/its account to cause the records of the Cooperative at all times to show his/her/its proper mailing address. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws now existing or hereafter adopted, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron, or their successors in interest, had individually signed a separate instrument containing such terms and provisions.

## ARTICLE VIII. DISPOSITION OF PROPERTY

### Section 8.01

- (A) The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a 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 encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to borrow monies from any source and in such amounts as said Board may from time to time determine, and to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired, or to be acquired, or wherever situated, as well as the revenues and income therefrom, all upon such Terms and Conditions of Service as the Board shall determine, to secure any indebtedness of the Cooperative.

## ARTICLE IX. CORPORATION SEAL

### Section 9.01

- (A) The corporate seal of the Cooperative shall be a device containing the name of the corporation and the word "Oklahoma".

## ARTICLE X. FINANCIAL TRANSACTIONS

### Section 10.01 Contracts

- (A) Except as otherwise provided by law or in these Bylaws, the Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on the behalf of the Cooperative, and such authority may be general or confined to specific instances.

### Section 10.02 Checks, Drafts, Etc.

- (A) Except as otherwise provided by law or in these Bylaws, all checks, drafts or other orders for payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer, officers, agent or agents of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

### Section 10.03 Deposits

- (A) All funds, except petty cash, of the Cooperative shall be deposited from time to time to the credit of the Cooperative in securities of the United States Government, certificates of deposit, federally insured banks, savings and loan institutions, other institutions serving electric cooperatives or approved institutions or depositories, as the Board of Trustees may select.

### Section 10.04 Fiscal Year

- (A) The fiscal year of the Cooperative 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. MISCELLANEOUS

### Section 11.01 Membership in Other Organizations

- (A) The Cooperative shall not become a member or purchase stock in any other organization without affirmative vote of not less than two-thirds (2/3) of all the trustees present at a regular or special meeting of the Board of Trustees. The notice of such meeting shall specify the organization and action to be taken upon such proposed membership.
- (B) The Cooperative may, upon the authorization of the Board of Trustees, purchase stock in or become a member of any corporation or organization.

### Section 11.02 Waiver of Notice

- (A) Any member or trustee may waive, in writing, any notice of a meeting required to be given by these Bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

### Section 11.03 Policy, and Terms and Conditions of Service

- (A) The Board of Trustees shall have power to make and adopt such policies, and Terms and Conditions of Service, not inconsistent with the law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management and administration of the business and affairs of the Cooperative.

### Section 11.04 Accounting System and Reports

- (A) The Board of Trustees shall cause to be established and maintained a complete accounting system which shall conform to generally accepted accounting principles.
- (B) The Board of Trustees shall within sixty (60) days 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 Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the annual meeting next following the close of such fiscal year.
- (C) Accounts of the Cooperative shall be examined by the Accounting Review Committee. The committee shall consist of trustees appointed by the Board of Trustees, which shall render reports to the Board of Trustees at least four (4) times a year at regular meetings of the Board of Trustees.

### Section 11.05 Rules of Order

- (A) Parliamentary procedure at all meetings of the members, the Board of Trustees, any committee provided for in these Bylaws and any other committee of the members or Board of Trustees shall be governed by the current edition of Roberts Rules of Order, except to the extent such procedure is otherwise determined by law, the Cooperative's Articles of Incorporation or the Cooperative's Bylaws.

## ARTICLE XII. AMENDMENTS

### Section 12.01

- (A) These Bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal or an accurate summary explanation thereof. If any member or members desire to offer an amendment of any of said Articles or Sections, such member or members shall deliver a copy of the proposed amendment, alteration or repeal, and a petition in support thereof signed by not less than ten percent (10%) of the members of the Cooperative, to the Secretary of the Board of Trustees not less than forty-five (45) days prior to the meeting in which such resolution is to be offered and the said Secretary shall cause a copy of said amendment, alteration or repeal, or an accurate summary explanation thereof, to be included in the notice of the meeting.
  
- (B) Provided that Section 3.05 (Voting) of Article III (Meeting of Members), Article VIII (Disposition of Property) and Article XII (Amendments) of these Bylaws may be altered, amended or repealed only upon the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative.

## ARTICLE XIII. INDEMNIFICATION

### Section 13.01 Indemnification of Officers, Trustees, Employees and Agents

- (A) The Cooperative shall indemnify any person who has been or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she is or was a trustee, officer, employee or agent of the Cooperative or is or was serving at the request of the Cooperative as a trustee, officer, employee or agent of another Cooperative, corporation, partnership, joint venture, trust or other enterprise, for all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him/her in connection with such action, suit or proceeding, if he/she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful, provided, however, that such indemnity shall not include any expenses incurred by any such person in respect of any claim, issue or matter as to which such person in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Cooperative, except as provided by law.
- (B) In no event shall anything contained hereinabove be construed so as to protect, or to authorize the Cooperative to indemnify any such person against any liability to the Cooperative or to its members to which he would otherwise be subject by reason of his/her willful malfeasance, bad faith, gross negligence or reckless disregard of the members' rights and duties involved in the conduct of his/her office such as trustee, officer, employee or agent.
- (C) The indemnification provided hereinabove shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members or disinterested trustees or otherwise, and shall not in any way limit any right which the Cooperative may have to make different or further indemnifications with respect to the same or different persons or classes of persons, and as provided by law.
- (D) The foregoing right of indemnification shall inure to the benefit of the heirs, executors, or administrators of any such person, trustee, officer, employee or agent, and shall be in addition to all other rights to which such person may be entitled as a matter of law.

### Section 13.02 Liability Insurance

- (A) The Cooperative may purchase and maintain, at the discretion of its Board of Trustees, policies of liability insurance covering its trustees, officers, employees and agents, and any of them, against liability as provided in this Article.

## ARTICLE XIV. COOPERATIVE POLICY

### Section 14.01

- (A) Tri-County Electric Cooperative, Inc. shall be committed to a policy of nondiscrimination against any person on the grounds of age, sex, race, color, pregnancy or national origin in its policies and practices relating to treatment of beneficiaries and participants including Terms and Conditions of Service, use of any of its facilities, attendance at and participation in any meeting of beneficiaries and participants in the conduct of the operation of this organization.

## ARTICLE XV. SAVINGS CLAUSE

### Section 15.01

- (A) In the event any clause or provision of these Bylaws shall be adjudged to be invalid or void, or determined to be in conflict with any existing laws, rules and regulations of the United States of America, State of Oklahoma, or any governing body having jurisdiction over the Cooperative, then and in that event, such laws, rules and regulations shall take precedence over the particular Bylaws and the fact that any such clause or provision may be invalid or void shall not serve to invalidate the remaining Bylaws, clauses or provisions contained herein.