

BYLAWS

OF

PEOPLE'S ELECTRIC COOPERATIVE

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BYLAWS OF PEOPLE'S ELECTRIC COOPERATIVE

ARTICLE I Membership

SECTION 1. Requirements for Membership. Any natural person, firm, association, corporation or body politic or subdivision thereof may become a member of People's Electric Cooperative (hereinafter called the "Cooperative") by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees; and
- (d) paying the membership fee.

Upon complying with the above requirements, such applicant shall be deemed automatically received into membership upon receipt of electric service from the Cooperative, unless the Board of Trustees shall determine that such application should be rejected for good cause.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable.

The Board of Trustees may, by a 2/3 majority vote of all Trustees, expel a member for good cause, including non-compliance by the member with the rules and regulations of service as established by the Trustees.

SECTION 2. Evidence of Membership. A Member shall: (1) comply with the Agreement for Electric Service, Articles, and Bylaws (hereinafter called Governing Documents); (2) provide and maintain a current mailing address and telephone number with the Cooperative; and (3) pay the Cooperative for the Cooperative's damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the Member's failure to comply with the Governing Documents. If a Member fails to comply with the Governing Documents, then, as provided in these Bylaws, the Cooperative may suspend or

terminate the Member or a Cooperative Service provided to the Member. Regardless of whether money damages are available or adequate, and notwithstanding any other provision in these Governing Documents, the Cooperative may: (1) bring and maintain a legal action to enjoin the Member from violating the Governing Documents; and (2) bring and maintain a legal action to order the Member to comply with the Governing Documents.

The Governing Documents are contracts between the Cooperative and a Member. By becoming a Member, the Member acknowledges that: (1) Every Member is a vital and integral part of the Cooperative; (2) the Cooperative's successful operation depends upon each Member complying with these Governing Documents; and (3) Members are united in an interdependent relationship.

SECTION 3. Joint Membership. A husband and wife will have joint membership unless each holds individual memberships subject to their compliance with the requirements set forth in Section 1 of this Article. 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:

- (a) The vote of either separately or a vote jointly shall constitute one joint vote;
- (b) A waiver of notice signed by either or both shall constitute a joint waiver;
- (c) Notice to either shall constitute notice to both;
- (d) Expulsion of either shall terminate the joint membership;
- (e) Withdrawal of either shall terminate the joint membership;
- (f) Either but not both may be elected or appointed as an Officer or Trustee.

SECTION 4. Effect of Death, Legal Separation or Divorce Upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the estate of the deceased shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership

shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though each membership had never been joint; PROVIDED, that the other spouse shall not be released from debts due the Cooperative.

SECTION 5. Membership Fee. The membership fee and conditions of refund shall be established by the Trustees.

SECTION 6. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to all Accounts. The Cooperative shall use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and, therefore, does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Trustees may in writing waive such requirement, and shall pay therefor in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Trustees and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into by the parties. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service to him by the Cooperative, any payment for service to him by the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

SECTION 7. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than 2/3 of all the Trustees, expel any

member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting.

Upon withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of the membership in any manner shall not release a member from any debts due the Cooperative.

SECTION 8. Excess Payments to be Credited as Member-Furnished Capital. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article VIII of these Bylaws.

SECTION 9. Disputes. The Cooperative and Member shall both attempt to informally resolve any disputes arising under these Bylaws. Nevertheless, in the event that a dispute arises that cannot be informally resolved between the Cooperative and Member, the Cooperative and Member hereby agree and consent to resolve all claims arising in law and/or in equity through mediation and binding arbitration, except such claims that are otherwise expressly excluded from such mediation and arbitration by these Bylaws. In order to formally submit a claim for final resolution, a Member shall: (1) submit a claim or dispute between the Member and the Cooperative regarding the Governing Documents, the Cooperative's Provision of a Cooperative Service, or the Member's Use of a Cooperative Service to mediation and arbitration and shall comply with an arbitration award according to the rules and procedures prescribed by the American Arbitration Association in accordance with its Commercial Arbitration Rules; and (2) file and prosecute any arbitration individually, and not as a representative party, member, or other participant in a class action or other representative proceeding; and (3) indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative Director, Officer, employee, agent, or representative ("Cooperative Official"), and caused by the Member's negligence, gross negligence, or willful misconduct,

or by the unsafe or defective condition of a Location Occupied by the Member. Provided, the following classifications of disputes shall be exempt from the mediation or arbitration requirement, and may be prosecuted in a court of competent jurisdiction in the State of Oklahoma: (1) disputes involving the collection of funds due to the Cooperative and/or accounts receivable by the Cooperative; or (2) disputes involving the condemnation of real property.

ARTICLE II

Rights and Liabilities of Members

SECTION 1. Property Interest of Members. Upon dissolution, the property and assets of the Cooperative remaining after all debts and liabilities of the Cooperative are paid shall be distributed among the members and former members in the proportion which the aggregate outstanding patronage of each bears to the total outstanding patronage of all members.

SECTION 2. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative, and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative. In general, a Member is not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations solely because of membership in the Cooperative. A Member may become liable to the Cooperative as provided in the Governing Documents or as otherwise agreed to by the Cooperative and the Member.

ARTICLE III

Meetings of Members

SECTION 1. Annual Meeting. An annual meeting of the members shall be held each fiscal year. The day shall be fixed by resolution of the Board of Trustees.

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

SECTION 3. Notice of Members Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business other than that listed in Section 6 of this Article is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both. 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. As long as the total number of members does not exceed five hundred, ten per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or five per centum of the members, whichever shall be the larger, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

SECTION 5. Voting. Any member who is absent from any annual or special meeting of the members may vote by mail upon any motion or resolution to be acted upon at any such meeting when the Board of Trustees determines that the motion or resolution is of such importance that all members should be afforded the opportunity to vote. The Secretary shall enclose with the notice of such meeting an exact copy of such motion or resolution to be acted upon and such absent member shall express his vote on each such motion or resolution in the space provided therefore and enclose each such copy so marked in a sealed envelope bearing his name and address to the Secretary. When such written vote so enclosed is received by mail from any absent member, it shall be accepted and counted as a vote of such absent at such meeting. If a husband and wife hold joint membership and are absent from any annual or special meeting of the members, they shall jointly be entitled to vote by mail as provided in this section. The failure of any such absent member

to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 6. Credentials and Election Committee. The Board of Trustees shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee who are not existing Cooperative Officers, Trustees, or known candidates for Trustees, and who are not related within third degree of blood or marriage or members of the same household of Cooperative Officers, existing Trustees, or known candidates for Trustees. The Board shall appoint one member for each of the Cooperative's Trustees to serve on the Committee, provided that at a district meeting only three members shall be appointed of whom all may be from that district. The Committee shall elect its own Chairman and Secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of Trustees, and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election.

All decisions of the Committee shall be final. The Committee shall make a report in writing of any challenge, question, count, or matter determined by the Committee indicating their decision thereon.

SECTION 7. Order of Business. The order of business at the annual meeting of members and, so far as possible, at all meetings of the members, shall be essentially as follows:

1. Report as to which members are present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of Officers, Trustees, and Committees.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE IV
Trustees

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of not less than five nor more than nine Trustees, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 2. Districts. The territory served or to be served by the Cooperative shall be divided into districts. Each district shall be represented by one Trustee. The Board of Trustees shall fix the boundaries of each district to be served by a Trustee and establish the number of the representative Trustees.

SECTION 3. Election of Trustees by District.

- (a) **DISTRICT MEETINGS.** Not less than thirty days nor more than sixty days before any annual meeting, the Board shall call a separate meeting of members of each district in which the terms of incumbent Board members are due to expire for purpose of electing one Board member to represent the members located within each of such districts. Such meeting must be held within the boundaries of said districts.
- (b) **NOTICE OF DISTRICT MEETINGS.** Written or printed notice stating the place, day and hour of the meeting shall be delivered not less than ten days before the date of each meeting, either personally or by mail, by or at the direction of the Secretary to each member within the district. The notice shall indicate the district to which such member belongs and shall state that election of a Board member is to be the purpose of the meeting.
- (c) **CONDUCT OF DISTRICT MEETINGS.** The district meeting shall be called to order by the Trustee representing the district or by another designated representative of the Board of Trustees, or, in his absence, by any member residing within the district. The members shall then proceed to elect a Chairman, who shall be someone other than a Trustee and who shall appoint a Secretary to act for the duration of the meeting. Fifteen percent of the members of the Cooperative residing in such district and being present at such meeting shall constitute a quorum.
- (d) **ELECTION.** Each member in attendance at the district membership meeting shall be entitled to one vote. Any

firm, association, corporation, body politic or subdivision being a member of the Cooperative is entitled to designate one person to vote for such member and such authorization must be signed by a president, vice-president, partner or principal officer and such designation must be on file in the office of the Cooperative not less than fifteen (15) days prior to such election. At any district membership meeting no member shall be permitted to vote by proxy or by mail. Voting shall continue until a candidate shall have received a majority vote of those voting and such candidate shall be declared elected. The minutes of such district meeting shall set forth, among other matters, the name of the person elected Trustee and the number of votes received by such person. A certified copy of the minutes signed by the Secretary and the Chairman of the district meeting shall be delivered to the Secretary of the Cooperative at the Cooperative headquarters within five days after such meeting. The certification by the Chairman and Secretary of the election of the Trustee by any district meeting shall be taken by the Cooperative as conclusive of the election of such Trustee at such district membership meeting. In the event a quorum cannot be obtained for any one of the district meetings provided for herein, then and in such an event the Trustee serving the district in which a quorum cannot be obtained shall continue to serve as the official Trustee from that district until the position is filled by a majority vote of the remaining Board of Trustees. The Trustee elected shall take office and assume the duties and responsibilities thereof at the first meeting of the Board, whether special or regular, after the annual membership meeting.

- Section 4. Qualifications and Tenure.** No person shall be eligible to become or remain a Trustee of the Cooperative who:
- (a) is not an active member of the Cooperative;
 - (b) does not maintain his/her primary residence within the particular district he/she represents or is to represent;
 - (c) does not receive electric service from the Cooperative within the particular district he/she represents or is to represent;
 - (d) is in any way employed by or financially interested in a competing enterprise or business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative;
 - (e) is the incumbent of or a candidate for an elective office in connection with which a salary or compensation in excess of \$5000 per annum is paid;

- (f) is an employee or former employee of the Cooperative;
- (g) is a close relative of an employee or Trustee of the Cooperative;
- (h) has entered a plea of guilty or no contest or been convicted of a felony;
- (i) does not have the capacity to enter into legally binding contracts;
- (j) doesn't comply with any other reasonable qualifications as determined by the Board of Trustees.

Upon establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, the Board of Trustees shall remove such Trustee from office.

Nothing contained in this Section shall affect in any manner whatsoever the validity of an action taken at the meeting of the Board of Trustees.

For the purposes of these Bylaws, the term "close relative" shall mean a person who, by blood or marriage, including step and adoptive kin, is either a spouse, child, grandchild, grandparent, parent, brother, sister, aunt, uncle, nephew or niece of the principal.

The Trustees in odd numbered districts shall be elected to serve four (4) year terms beginning in 1985 and thereafter as terms expire.

The Trustees in even numbered districts shall be elected to serve four (4) year terms beginning in 1987 and thereafter as terms expire.

SECTION 5. Removal of Trustees by Members. Members of a voting district may bring charges against the Trustee of their particular district and petition for removal, for cause, of the Trustee representing such district by filing with the Secretary of the Cooperative and delivering a copy of the same to the Manager of the Cooperative and the Trustee, such charges, in writing, together with a Petition for Removal signed by at least ten percent (10%) of the members of that district. The charges for removal for cause must be specified in the petition in order to adequately inform the Trustee of the same. The following procedure will then be followed:

- (a) The Board of Trustees of the Cooperative shall call a meeting of the membership of that particular district and designate a date, time, and place in the district in which the petition will be considered.

- (b) Notice to all members of the district shall be given by the Cooperative setting forth the date, time, place and reason for the meeting. The notice must be given at least twenty (20) days, but not more than sixty (60) days, prior to the same.
- (c) The district meeting shall be called to order by a Trustee other than the one representing the district concerned, or someone designated by the Board of Trustees. The members shall then proceed to elect a Chairperson and Secretary for the meeting. The present Trustee shall not act in either capacity.
- (d) The charges and evidence will be presented by petitioners. The Trustee shall have the right to refute the charges and present evidence concerning the same. Those bringing the charges must appear in person.
- (e) The question of removal shall be heard and voted on.
- (f) If a vacancy is created, the same shall be filled by the members at the meeting. If they fail to do so, then the vacancy will be filled in accordance with other vacancy provisions of these Bylaws.
- (g) Fifteen percent (15%) of the eligible members shall constitute a quorum.
- (h) Any new Trustee must meet qualifications of the Bylaws and be seated as a Board member immediately after selection.
- (i) Roberts Rules of Order shall govern the conduct of the meeting.
- (j) The Chairperson and Secretary shall certify to the Cooperative the selection of the new Trustee.

SECTION 6. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Trustees by the members, a vacancy occurring on the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining Trustees for the unexpired portion of the term of the Trustee in respect of whom the vacancy occurs. A member elected as Trustee to fill such vacancy must reside in the same district as the Trustee to whose office he succeeds.

SECTION 7. Compensation. Trustees as such shall not receive any salary for their services but, by resolution of the Board of Trustees, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees and for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, training programs, performing committee assignments, or for attending any function

or performing and acting in behalf of 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 rural electric cooperatives under programs sponsored by the National Rural Electric Cooperative Association, nor shall any close relative of a Trustee receive compensation for serving the Cooperative unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such Trustee or person related to a Trustee by blood or by marriage within the third degree shall have been certified by the Board of Trustees as an emergency measure.

The Cooperative shall indemnify its Trustees, Officers, agents and employees and may purchase insurance to cover such indemnification against all liability arising out of their acts in their official capacities, if they shall have acted in good faith and deemed such acts to be in the best interests of the Cooperative, or not against its best interests.

SECTION 8. Oath of Office. Prior to any person assuming the office of Trustee, such person must subscribe to the following oath or affirmation: “I do solemnly swear (or affirm) that I will support the Constitution and the laws of the United States of America, the Constitution and the laws of the State of Oklahoma, and the Bylaws of People’s Electric Cooperative, that I will faithfully discharge according to the best of my ability the duties of my office during such time as I am a Trustee of People’s Electric Cooperative, and that I will never knowingly do or cause to be done any act or deed which would not be in the best interest of the Cooperative and its membership.”

SECTION 9. Attendance. 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 and the remaining Trustees shall declare a vacancy on the Board from the district represented by such Trustee, to be filled in accordance with these Bylaws.

ARTICLE V

Meetings of Trustees

SECTION 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held, without notice, immediately after the adjournment of the annual meeting of the members or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular

meeting of the Board of Trustees shall also be held monthly at such date, time, and place within one of the counties served by the Cooperative within the State of Oklahoma as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time, and place thereof, except when business to be transacted thereat shall require special notice; PROVIDED, that any Trustee absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time, or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER that, by policy established by the Board, the President may change the date, time, or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all Trustees.

SECTION 2. Special Meetings. Special meetings of the Board of Trustees may be called by Board resolution, by the President, or by any three (3) Trustees; and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Board, the President, or the Trustees calling the meeting shall fix the date, time, and place for the meeting, which shall be held in one of the counties served by the Cooperative in the State of Oklahoma unless all Trustees consent to its being held in some other place in that state or elsewhere.

SECTION 3. Notice of Trustees Meetings. Written notice of the time, place, and purpose of any special meeting of the Board of Trustees shall be delivered not less than five (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary or, upon a default in duty by the Secretary, by the President of the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative with postage thereon prepaid.

Section 4. Quorum. All Board Meetings may be conducted with absent Trustees participating, and deemed present in person, through any means of communication by which all Trustees participating in the Board Meeting may simultaneously hear each other during the Board Meeting. A majority of the Board of Trustees shall constitute a quorum, provided that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn from time to time; and provided further that the Secretary shall notify any absent

Trustees of the time and place of such adjourned meeting. The act of the majority of the Trustees present at the meeting at which a quorum is present shall be the act of the Board of Trustees.

ARTICLE VI

Officers

SECTION 1. Number and Title. The Officers of the Cooperative shall be a Chairman of the Board & President, Vice-Chairman, Secretary, and Treasurer, and such other Officers as may from time to time be determined by the Board of Trustees. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The Officers shall be elected by ballot annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly after the annual meeting of the members. If the election of Officers shall not be held as soon thereafter as conveniently may be, each Officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

SECTION 3. Removal. Any Officer, agent, or employee elected or appointed by the Board of Trustees may be removed by the Board whenever in its judgment the best interests of the Cooperative will be thereby served. However, such removal shall not be effectuated inconsistently with any written contract between the Cooperative and such Officer, agent, or employee unless he so consents.

SECTION 4. Chairman of the Board & President.
He/She shall:

- (a) be the principal executive 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;
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws to some other Officer or agent of the Cooperative

or shall be required by law to be otherwise signed or executed; and

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

SECTION 5. Vice-Chairman. In the absence of the Chairman of the Board & President, or in the event of his/her inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman of the Board & President and, when so acting, shall have all the power of and be subject to all the restrictions upon the Chairman of the Board & President. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him/her by the Board of Trustees.

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

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

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

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for moneys due and payable to the Cooperative from any source

whatsoever, and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

- (c) performing 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 8. Exec. VP/CEO and Manager. The Board of Trustees may appoint an Exec. VP/CEO and Manager who may be, but shall not be required to be, a member of the Cooperative. The Exec. VP/CEO and Manager shall perform such duties and shall exercise such authority as the Board of Trustees may from time to time vest in him/her.

SECTION 9. Bonds of Officers. The Treasurer and any other Officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees, at its discretion, may also require any other Officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties and compensation of any Officers, agents, and employees shall be fixed by the Board of Trustees, subject to the provisions of these Bylaws with respect to compensation for Trustees and close relatives of Trustees.

SECTION 11. Reports. The Officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

SECTION 12. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided, the Board of Trustees by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for and the regular or routine administration of one or more of each such Officer's such duties to one or more agents, other Officers, or employees of the Cooperative who are not Trustees. To the extent that the Board does so delegate with respect to either such Officer, that Officer

as such shall be released from such duties, responsibilities and authorities.

ARTICLE VII

District Meetings

SECTION 1. District Meetings. In addition to district meetings called for the purpose of electing Trustees, meetings of the members within a particular district may be called by resolution of the Board of Trustees, or upon a written request signed by the Trustee residing in the particular district, or by ten per cent or more of members located within such district, for the purpose of making recommendations to the Board of Trustees or the entire membership with respect to any matters pertaining to the business of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Such meeting may be held at any place within the district as specified in the notice of the meeting. The presence of at least fifteen percent of the members of the Cooperative resident within the district at a duly called district meeting shall constitute a quorum. The members shall elect a Chairman and a Secretary to act for the duration of the meeting. Proxy voting shall not be permitted at any district meeting.

SECTION 2. Notice of District Meetings. Written or printed notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five days before such meeting, except that as to meetings at which a Trustee is to be elected, the notice must be delivered not less than ten days before such meeting. Meetings shall be opened for discussion of any matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, except that as to a meeting at which a Trustee is to be elected, the notice must specify that such action is to be taken at the meeting.

ARTICLE VIII

Patronage Capital

SECTION 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative, non-profit basis for the mutual benefit of its patrons. No interest or dividends, other than "patronage dividends" as defined below, shall be paid or payable by the Cooperative on any capital furnished by its patrons.

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 nonmember by authorized contractual authority.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. 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, members, and nonmembers will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members, and nonmembers and to 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 in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members, and non-members as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such patronage dividends. 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 of such patrons is clearly reflected and credited in an appropriate record to the capital account of each of such patrons and the Cooperative shall within reasonable time after the close of the fiscal year notify each of such patrons of the amount of capital so credited to his/her account; provided that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself/herself the specific amount of capital so credited to him/her and that specific information on such amount of capital is available from the Cooperative on request.

All such amounts credited to the capital account of any of such patrons shall have the same status as though they had been paid to such patron in cash in pursuance of a legal obligation to do so and such patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative in excess of costs and expenses shall, insofar

as permitted by law, be allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of patrons. If at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital. In no event, however, may any such capital be retired unless the security provisions of any deeds of trust or mortgages given by the Cooperative to the United States of America or any financial institution at any time and which are then in force and effect are satisfied. However, at the discretion of the Board of Trustees, a reasonable cash reserve over and above the minimum requirements of the Government's or various financial institution's deed of trust or mortgage provisions shall be maintained.

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

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

Notwithstanding any other provision of these Bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon the termination of membership or the death of any patron who was a natural person if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions, inclusive of discounts, as the Board of Trustees, acting under policies of general application, and the former Patron or legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

To secure payment of any amounts owed by a Patron or former Patron to the Cooperative, including up to the maximum legal interest rate compounded and late payment fee determined by the Board, the Cooperative has a security interest in the Capital Credits of every Patron and former Patron. The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the state legal rate in effect when such amount first became overdue, compounded annually.

If the Cooperative takes measures to notify any Patron or former Patron by mail of retired or refunded Capital Credits and if the Patron or former Patron fails to claim the retired or refunded Capital Credits within the greater of seven (7) years or the time which is allocated by the OK State Tax Commission regarding unclaimed property, then the Patron or former Patron contributes the unclaimed amounts to the Cooperative, and the Cooperative, with Board review, will accept the unclaimed amounts from the Patron or former Patron, as permanent, non-allocated capital.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 3. Patronage Refunds in Connection with Furnishing Other Services. Patronage refunds shall be made only in connection with the consumption of electrical energy, unless the Board of Trustees shall determine otherwise. Patronage refunds in connection with the furnishing of other services may, by resolution of the Board of Trustees, be made to all patrons on an equal basis.

ARTICLE IX Disposition of Property

Section 1. Transfer of Cooperative Assets. 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 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 upon an affirmative vote of not less than two-thirds (2/3) of the Board of Trustees to authorize the execution and delivery of a lease-leaseback transaction only where the Board of Trustees determines that such transaction will not impair the ability of the cooperative to use the assets as needed to serve the members; provided, however, that such transactions shall apply only to the physical assets of a cooperative and shall not be used to effect a sale or other disposition of the cooperative business entity itself; and further, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any corporation or financial institution authorized to assist in the credit and financial needs of the rural electric cooperatives. "Substantial portion" as used in this Section shall mean ten percent (10%) of the fair market value of the Cooperative's total properties and assets.

Section 2. Merger or Consolidation. The Cooperative may consolidate or merge only with an Entity operating on a cooperative basis that provides a cooperative Service (“Consolidate or Merge”). To Consolidate or Merge, the Cooperative must comply with this Bylaw.

A. Board Approval. To Consolidate or Merge, the Board must approve an agreement or plan to Consolidate or Merge (“Consolidation or Merger Agreement”) stating the:

- (1) terms and conditions of the Consolidation or Merger;
- (2) name of each Entity Consolidating or Merging with the Cooperative;
- (3) name of the new or surviving Consolidated or Merged Entity (“New Entity”);
- (4) manner and basis, if any, of converting memberships or ownership rights of each Consolidating or Merging Entity into memberships or ownership rights of, or payments from, the New Entity;
- (5) number of trustees of the New Entity, which must equal or exceed five;
- (6) date of the New Entity’s annual meeting;
- (7) names of New Entity trustees who will serve until the New Entity’s first annual meeting; and
- (8) other information required by Law.

B. Member Approval. To Consolidate or Merge:

- (1) After the Board approves a Consolidation or Merger Agreement, two-thirds of the Members voting in person at any Annual Meeting or special meeting thereof, must approve the Consolidation or Merger Agreement.
 - (a) Notice. The Cooperative shall notify Trustees of a Board Meeting, and Members of an Annual Meeting or special meeting thereof, at which Trustees or Members may consider a Consolidation or Merger Agreement. This notice and any material soliciting Member approval of the Consolidation or Merger Agreement must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement and the New Entity’s Articles of Incorporation and Bylaws.

ARTICLE X

Seal

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal, Ada, Oklahoma."

ARTICLE XI

Financial Transactions

SECTION 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Trustees may authorize any Officer or Officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, Etc. Except as otherwise provided by law or in these Bylaws, all checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such Officer, 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 3. Deposits; Investments. All funds except petty cash of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Trustees may select.

SECTION 4. Change in Rates. Written notice shall be given to the members and any regulatory body having jurisdiction not less than thirty days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

SECTION 6. Preferred Stock. The Board of Trustees shall be authorized to offer the issuance of Preferred Stock which shall bear cumulative dividends. Preferred Stock shall not have voting rights except in the event of default. In the event of default, Preferred Stockholders would be allowed to elect two members

of the Board of Trustees. Preferred Stock shall be issued and be transferable without regard to eligibility or membership, and be redeemable on terms as determined by the Trustees. The Trustees shall determine the interest rate, time and amount of its issue. Dividends or principal on Preferred Stock shall at all times be senior or superior to any amounts returned to the members in patronage capital.

ARTICLE XII

Miscellaneous

SECTION 1. Rules of Order. Parliamentary procedure at all meetings of the members, or any portion thereof, of the Board of Trustees, or any committee provided for in these Bylaws, and of any other committee of the members or Board of Trustees, which may from time to time be duly established, shall be governed by the most recent edition of Roberts Rules of Order, except to the extent such procedure is otherwise determined by law, or by the Cooperative's Articles of Incorporation, or Bylaws.

SECTION 2. Waiver of Notice. Any member or Trustee may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Trustee at any meeting shall constitute a waiver of notice of such meeting by such member or Trustee, except in case a member or Trustee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

SECTION 3. Rules and Regulations. The Board of Trustees shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system in compliance with applicable laws and the rules and regulations of any regulatory body having jurisdiction. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. Area Coverage. The Board of Trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Electronic Documents. If a Member owns, controls, or has reasonable access to the hardware and software specified by the Cooperative, then, regardless of any contrary Bylaw:

- (a) The Member agrees to:
 - (1) Use, accept, send and receive electronic signatures, contracts, records, notices, communications and other documents (collectively, “Electronic Documents”) regarding any transaction with, for or involving the Cooperative;
 - (2) Conduct any action or transaction with, for or involving the Cooperative by electronic means; and
 - (3) Give this consent electronically, or confirm this consent electronically; and

- (b) As determined by the Board:
 - (1) Any Electronic Document to or from the Member satisfies any requirement imposed by Law, the Articles, or these Bylaws that the underlying signature, contract, record, notice, communication or other document be in writing;
 - (2) Electronically sending or receiving any Electronic Document to or from the Member satisfies any requirement imposed by Law, the Articles or these Bylaws that the underlying signature, contract, record, notice, communication or other document be sent or received personally or by mail; and
 - (3) The Member electronically taking any action provided in these Bylaws satisfies any requirement imposed by Law, the Articles or these Bylaws regarding the form or manner of taking the action.

Any Electronic Document sent electronically to a Member or former Member at the Member or former Member’s last

known electronic address is considered sent and received on the date sent. Any Electronic Document sent electronically to the Cooperative from a Member or former Member is considered sent and received on the date received by the Cooperative.

ARTICLE XIII

Amendments

These Bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

(Revised and updated, to include Bylaw amendments as approved by the Cooperative membership at its annual meetings of July 23, 1959; July 17, 1970; July 9, 1971; September 18, 1976; September 17, 1977; September 22, 1984; September 13, 1986; September 28, 2002; and September 29, 2012.)