

**By Laws of**

***SEMO***  
***Electric Cooperative***

**As amended on May 25, 2000**

**BYLAWS OF  
SEMO ELECTRIC COOPERATIVE**

**ARTICLE I  
MEMBERSHIP**

**SECTION 1. Requirements for Membership.** Any person, firm, association, corporation or body politic or subdivision, thereof may become a member in SEMO 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 any Bylaws of Cooperative and any rules and regulations adopted by the board of directors; and
- (d) paying the membership fee hereinafter specified; provided however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the board of directors or the members.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

**SECTION 2. Joint Membership.** A husband and wife may apply for a joint membership and subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "Member" as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of the membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The membership of a married couple shall be considered a joint membership unless otherwise specified upon application for membership, even though application for membership is signed by only one spouse;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;

- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

**SECTION 3. Conversion of Membership.**

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board of directors.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. However, the estate of the deceased shall not be released from any debts due the Cooperative.

**SECTION 4. Membership Fees.** The membership fee shall be set by the board of directors at such amount as the board of directors, in the exercise of its reasonable discretion, believes to be proper. In addition to the membership fee the board of directors shall have the right to require, in its discretion, that the members, or any of the members, shall deposit with the Cooperative an additional amount for each service connection as a guarantee of payment of service charges.

**SECTION 5. Purchase of electric energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore at rates which shall from time to time be fixed by the board of directors; provided, however, that the board of directors may limit the amount of electric energy which the cooperative shall be required to furnish to any one member. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

**SECTION 6. Termination of membership.**

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe. The board of directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provision of the articles of incorporation, Bylaws or rules or regulations adopted by the board of directors, but only if such member shall have been liable to expulsion and such failure shall be continued for at least ten days after

such notice was given. The membership of a member who for a period of six (6) months after service is available to him has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, shall be canceled by resolution of the board of directors.

- (b) Upon the withdrawal, death, cessation of existence, expulsion or removal of a member from the premises described in the application for membership, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of withdrawal or termination of membership in any manner, the Cooperative will repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

## **ARTICLE II** **RIGHTS AND LIABILITIES OF MEMBERS**

**SECTION 1. Property interest of members.** Members shall have no individual or separate interest in the property or assets of the Cooperative except that upon dissolution of 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 patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

**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 liable or responsible for any debts or liabilities of the Cooperative.

## **ARTICLE III** **MEETINGS OF MEMBERS**

**SECTION 1. Annual Meeting.** The Annual Meeting of members shall be held at such time and place within the counties served by the Cooperative, as selected by the board of directors and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

**SECTION 2. Special Meeting.** Special meetings of the members may be called by resolution of the board of directors, or upon written request signed by any three directors, by the President, or

by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties served by the Cooperative, specified in the notice of the special meeting.

**SECTION 3. Notice of Members' Meeting.** Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an Annual Meeting at which business requiring special notice is to be transacted, the purpose of purposes for which the meeting is called shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an Annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

**SECTION 4. Quorum.** Two percent of the first 2,000 members and one percent of the remaining members, present in person, or as required by the State Statutes of Missouri, shall constitute a quorum for the transaction of business at all meetings of the members. 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.

**SECTION 5. Voting.** Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, or by mail, except as otherwise provided by law, the articles of incorporation or these Bylaws.

**SECTION 6. Proxies.** No member may vote by proxy at any meeting of the members.

**SECTION 7. Mail Voting.** On every question except in the election of directors, voting by mail shall be allowed. The questions to be voted upon shall first be submitted to the members by written or printed notice delivered by mail or in person with ballot attached. All ballots received by the time of the convening of the meeting to which the question is submitted shall be counted.

**SECTION 8. Order of business.** The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

- (a) Report as to which members are present in person in order to determine the existence of quorum and which members are represented by proxy.
- (b) 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.

- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (d) Presentation and consideration of reports of officers, directors and committees.
- (e) Election of directors.
- (f) Unfinished business.
- (g) New business
- (h) Adjournment.

#### **ARTICLE IV** **DIRECTORS**

**SECTION 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of twelve directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these Bylaws conferred upon or reserved to the members.

**SECTION 2. Election and tenure of office.** The persons names as directors in the articles of conversion or until their successors shall have been elected and shall have qualified. At the first annual meeting of the members following the conversion, the directors of the Cooperative shall be divided into three classes each of which shall consist of four directors. The terms of office of the directors of the first class elected at the first annual meeting following the conversion shall expire at the next succeeding annual meeting; the terms of office of the directors of the second class elected at such annual meeting shall expire at the second succeeding annual meeting following the conversion; the terms of office of the directors of the third class elected at such annual meeting shall expire at the third succeeding annual meeting following the conversion. At each annual meeting after the first annual meeting following the conversion four directors shall be elected by ballot by and from the members to serve until the third succeeding annual meeting of the members or until their successors shall have been elected and shall have qualified. At each Annual Meeting held after the Annual Meeting in 1983 there shall not be more than three directors serving at any time from District No. 1, District No. 2 or District No. 3 or more than two directors from District No. 4 or more that one director from District No. 5. Said geographic districts shall be designated as follows: No. 1, New Madrid County, Missouri; No. 2, Mississippi County, Missouri; No. 3, Bollinger and Stoddard Counties, Missouri; No. 4, Scott County, Missouri; and No. 5, Cape Girardeau County, Missouri. If an election shall not be held on the day designated herein for the Annual Meeting or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Directors may be elected by a

majority vote of the members present and voting.

**SECTION 3. Qualifications.** No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:

- (a) is not a member and bona fide resident in the area served or to be served by the Cooperative;
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (c) is a current or former employee at the Cooperative.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove such director from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

**SECTION 4. Nominations.** It shall be the duty of the board of directors to appoint, not less than thirty days nor more than ninety days before the date of a meeting of the members at which directors are to be elected a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different districts so as to assure equitable representation. No member of the board of directors nor candidate for the board of directors may serve on such committee. The committee, keeping in mind the principal of district representation, shall prepare and post at the principal office of the Cooperative at least thirty days before the meeting a list of nominations for directors which may include a greater number of candidates that are to be elected. Any fifty or more members acting together may make other nominations by petition not less than thirty days prior to the meeting and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. A member can sign only one petition for any candidate. The secretary shall mail with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of directors to be elected and names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition, if any.

**SECTION 5. Removal of Directors by Members.** Any member may bring charges against a director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the

members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

**SECTION 6. Vacancies.** Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the board of directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

**SECTION 7. Compensation.** Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for the attendance at each meeting of the board of directors and attendance at other meetings and events related to the objectives and purposes of rural electric cooperatives when authorized by the Board of Directors. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such director or close relative shall have been certified by the board of directors as an emergency measure.

## **ARTICLE V** **MEETINGS OF DIRECTORS**

**SECTION 1. Regular Meetings.** A regular meeting of the board of directors shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**SECTION 2. Special Meetings.** Special meetings of the board of directors may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place for the holding of the meeting.

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

**SECTION 4. Quorum.** A majority of the board of directors shall constitute a quorum, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be act of the board of directors.

## **ARTICLE VI** **OFFICERS**

**SECTION 1. Number.** The officers of the Cooperative shall be a president, vice president, secretary, treasurer, assistant secretary and assistant treasurer, and such other officers as may be determined by the board of directors from time to time. The offices of secretary and treasurer may be the same person, and offices of assistant secretary and assistant treasurer may be the same person.

**SECTION 2. Election and Term of Office.** The officers shall be elected by ballot, annually by and from the board of directors at the meeting of the board of directors held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of directors 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 directors for the unexpired portion of the term.

**SECTION 3. Removal of Officers and Agents by Directors.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

**SECTION 4. President.** The president shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the board of directors, shall preside at all meetings of the members and board

of directors.

- (b) sign, with the secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

**SECTION 5. Vice-President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the board of directors.

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

- (a) Keeping the minutes of the meeting of the members and of the board 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) signing, with the President, all necessary documents, the issue of which shall have been authorized by the board or the members;
- (f) keeping on file at all times a complete copy of the articles of incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request, and
- (g) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the board.

**SECTION 6A. Assistant Secretary.** In the absence of the Secretary or in the event of his inability or refusal to act, the Assistant Secretary shall perform the duties of the Secretary and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall also perform such other duties as from time to time may be assigned to him by the board of directors.

**SECTION 7. Treasurer.** The treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such banks or other institutions, corporations and entities as the Board of Directors may select.
- (c) in general performs all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the board of directors.

**SECTION 7A. Assistant Treasurer.** In the absence of the Treasurer or in the event of his inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. The Assistant Treasurer shall also perform such other duties as from time to time may be assigned to him by the board of directors.

**SECTION 8. Manager.** The board of directors may appoint a Manager who may be, but who shall not be required to be, a member of the Cooperative. The Manager shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him.

**SECTION 9. Bonds of Officers.** The Treasurer and any other officer or agent of the Cooperative charges with the 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 directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and such surety as it shall determine.

**SECTION 10. Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the board of directors, subject to the provisions of these Bylaws with respect to compensation for Directors and close relatives of Directors.

**SECTION 11. Reports.** The officers of the Cooperative shall submit at each annual meeting of the

members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**ARTICLE VII**  
**"NON-PROFIT OPERATIONS"**

**SECTION 1. Interest or dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric 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 for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as Capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

- (a) Used to offset any losses incurred during the current or any prior fiscal year; and
- (b) to the extent not needed for that purpose, allocated to its 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 prorated basis before any payments are made on account of property rights of member. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. After May 25, 1995, the Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and

hereafter furnished as capital.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assigner and only to successors in interest or successors in occupancy in all or a part of such patron's premisses served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise. Provided further, however, that the board of directors 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 shall:

- (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year;
- (b) provide for a separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons;
- (c) provide for appropriate notification to patrons with respect to the power supply portion of capital credited to their accounts; and

Notwithstanding any other provision of the Bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron who is a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be returned 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 as the board of directors, acting under policies of general applications, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Article 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 provision. 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.** Notwithstanding any provisions herein contained to the contrary, any member, former member or customer who fails to claim any capital credits, patronage refunds, utility deposits, membership fees, or account balances within two years after payment thereof has been made available to such person, shall have made an irrevocable assignment and gift to the Cooperative of such unclaimed money. Upon expiration of at least two years after availability of such money, the

Cooperative shall give at least sixty days notification by publishing in a newspaper of general circulation published in the county within the Cooperative's service area, of the last known address or last service location of the member, former member or customer. Such notice shall contain the owner's name approximate amount, the type of owner's interest, and that if not duly claimed within sixty days of said notice, the unclaimed money shall be deemed assigned and donated to the Cooperative. If no provable claim shall have been filed within sixty days after the publication of said notice, the cooperative shall, after offsetting any outstanding amounts due and owing the Cooperative from said member, former member or customer, thereafter treat the net unclaimed amount as donated capital of the Cooperative, included in the fiscal year in which the sixtieth day after publishing notice falls. After first treating the unclaimed money of any member, former member, or customer as donated capital, any future unclaimed money of that member, former member, or customer shall be treated as donated capital without notice.

### **ARTICLE VIII** **DISPOSITION OF PROPERTY**

The Cooperative may not sell, lease or otherwise dispose of, except by mortgage, all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained or any other provisions of law, the board of directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization.

### **ARTICLE IX** **SEAL**

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

### **ARTICLE X** **FINANCIAL TRANSACTIONS**

**SECTION 1. Contracts.** Except as otherwise provided in these Bylaws, the board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and

deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

**SECTION 2. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**SECTION 3. Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such banks or other institutions, corporations and entities as the Board of Directors may select.

**SECTION 4. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## **ARTICLE XI** **MISCELLANEOUS**

**SECTION 1. Membership in Other Organizations.** The Cooperative may become a member of or purchase stock in any other organization with an affirmative vote of the Board of Directors.

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

**SECTION 3. Rules and Regulations.** The board of directors shall have power to make and adopt such rules and regulations not inconsistent with law, the articles of incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

**SECTION 4. Accounting System and Reports.** The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Federal Energy Regulatory Council (FERC). 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. Indemnification.** The Cooperative shall indemnify to the fullest extent permitted by law against expenses, including attorney fees, judgements, costs, fines and amounts paid in

settlement, actually and reasonably incurred, by any person who was 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 is or was a Director, Office, Employee or Agent of the Cooperative, or is or was serving any other enterprise at the request of the Cooperative.

**ARTICLE XII**  
**AMENDMENTS**

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

By order of the membership during the Annual Meeting on May 25, 2000.

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John Johnson, Jr., Secretary