

Bylaws of Southwestern Electric Cooperative, Inc., Greenville, Illinois

Approved April 1, 1939

Amended October 1, 1940

Amended October 1, 1941

Amended October 16, 1943

Amended October 25, 1947

Amended October 19, 1950

Amended August 11, 1953

Amended July 30, 1954

Amended September 21, 1957

Amended September 8, 1962

Amended September 12, 1964

Amended September 11, 1965

Amended September 10, 1966

Amended September 6, 1969

Amended September 11, 1971

Amended September 12, 1981

Amended September 8, 1984

Amended April 11, 1986

Amended September 11, 1993

Amended September 11, 1999

Amended September 9, 2000

Amended September 8, 2001

Amended September 7, 2002

Amended September 11, 2004

Amended September 6, 2008

Amended September 8, 2012

Amended _____

SECTION 1: PREAMBLE, CONSTRUCTION AND DEFINITIONS:

A. Preamble: The corporate purpose and goal of Southwestern Electric Cooperative, Inc., is, in accordance with and through the exercise of authority granted by the laws of the State of Illinois, the Cooperative's Articles of Incorporation and these Bylaws, to provide energy and other services to its Members at the lowest cost consistent with sound economy and prudent management, and to operate on a cooperative, non-profit basis for the benefit of its members. The Cooperative shall not be operated for pecuniary profit either to itself or to its Members.

B. Rules of Construction:

1. Capitalized terms used in ~~this Agreement~~these Bylaws shall have the meanings specified in Section 1(C).
2. The singular shall include the plural and the masculine shall include the feminine and neuter.
3. The term "day" shall mean calendar day, the term "month" shall mean a calendar month, and the term "year" shall mean a calendar year, unless specifically stated otherwise.
- ~~4. Any reference to a Member shall be deemed to exclude Associate Members.~~
45. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied.

C. Definitions:

1. "Person" shall mean any natural person, firm, association, corporation, trust, partnership, limited liability company, federal or state agency, municipal corporation, political subdivision, body politic or other similar entity.

2. "Natural Person" shall mean a human being.
3. "Board of Directors" shall mean a body of ~~nine~~ Natural Persons duly qualified and elected by the Members to manage the business and affairs of the Cooperative as provided for in Section 5.
4. "Director" shall mean a Natural Person duly qualified and elected by the Members to the Board of Directors or appointed by the Board of Directors.
5. "Member" shall mean any Person who has complied with the provisions of Section 2A.
6. "Membership" shall mean the legal state of being a Member in the Cooperative.
7. "Joint Membership" shall mean a Membership in the Cooperative held by two or more Natural Persons, jointly and severally, in joint tenancy together with the right of survivorship as recognized by the laws of the State of Illinois.
8. "Individual Membership" shall mean any Membership in the Cooperative held by a Person other than a Joint Membership.
9. "Cooperative" shall mean Southwestern Electric Cooperative, Inc.
10. "Bylaws" shall mean the Bylaws of the Cooperative as duly adopted and amended, from time to time, by the Members.
11. "Articles of Incorporation" shall mean the Articles of Incorporation of the Cooperative duly adopted and amended from time to time, by the Members, and duly placed on file with the Illinois Secretary of State's Office.
12. "Close Relative" shall mean a Natural Person who, by blood, step and adoptive kin, is either a spouse, legally recognized domestic partner, child, parent, brother, or sister
of a Director, Officer, or employee of the Cooperative.
13. "Act" shall mean the Illinois General Not For Profit Corporation Act of 1986 (805 ILCS 105/101.01/et al).,⁵ as amended from time to time.

SECTION 2: MEMBERSHIP

A. Qualifications: The Cooperative shall offer Membership in the Cooperative pursuant to the laws of the State of Illinois, the Articles of Incorporation, and the Bylaws.

1. Membership: A Person shall be a Member of the Cooperative and shall be entitled to the rights and benefits of Membership in the Cooperative if such Person:

- a. shall have made written application for Membership in the Cooperative in such form as the Board of Directors shall, from time to time, prescribe;
- b. shall have agreed to purchase energy or other services from the Cooperative as sold or offered for sale by the Cooperative on a cooperative basis;
- c. shall have agreed to comply with and be bound by the Bylaws and the Articles of Incorporation and any and all rules, regulations, rates, and policies duly adopted by the Board of Directors;
- d. shall have paid any and all fees, deposits and contributions required by the Cooperative pursuant to the Bylaws; and,
- e. such Person's application for Membership in the Cooperative shall have been accepted by the Board of Directors.

2. Classes of Members: ~~Members shall be divided into two classes~~ There shall be one (1) Member class.

~~a. "Members":~~ A "Member" is a Person who has been accepted by the Board of Directors for Membership in the Cooperative. Such Members shall receive energy and other services from the Cooperative, shall be entitled to vote at any meeting of the Members of the Cooperative, shall have capital credits allocated to his Membership, and, if such Member is a Natural Person, shall be entitled to be elected a Director of the Cooperative, subject to compliance with the qualifications stated in Section 5.

~~b. "Associate Members":~~ An "Associate Member" is a Person who has applied for an Associate Membership in the Cooperative and has been accepted by the Board of Directors as such Associate Member of the Cooperative. Associate Members shall not be entitled to purchase and/or receive energy or other services from the Cooperative, shall not be entitled to vote at any meeting of the Members of the Cooperative, shall not be entitled to be elected as a Director of the Cooperative and shall not be entitled to have capital credits allocated to his Membership.

3. Fees, Deposits and Contributions: Membership fees, security deposits, service charges, connection fees, or contributions in aid to construction for Members shall be determined from time to time by the Board of Directors, and the same shall be paid by the Member as a condition precedent to Membership in the Cooperative.

4. Acceptance by Board of Directors: Upon complying with the requirements of the Bylaws, all applications for Membership in the Cooperative shall be accepted by the Board of Directors, and such Person filing such application shall be granted Membership in the Cooperative consistent with the Bylaws, and the rules, regulations, rates, and policies of the Cooperative; provided, however, that if the Board of Directors determine that such Person is not willing or able to satisfy and abide by the Cooperative's terms and conditions of Membership as stated in the Bylaws or in the rules, regulations, rates, and policies of the Cooperative, or that such Person should otherwise be rejected for other good cause, then the Board of Directors may elect to reject such Person's application and deny Membership in the Cooperative to such Person. If any Person whose application has been submitted to the Board of Directors but not approved within a period of sixty (60) days after filing such application with the Board of Directors, then such Person may file a written request with the Board of Directors not later than thirty (30) days before the next meeting of the Members of the Cooperative requesting that his application be submitted to and approved or disapproved by the majority vote of the Members at such meeting. The requesting Person shall be entitled to be present and heard at such meeting of the Members.

B. Joint Membership: All applications for Membership filed by two or more Natural Persons shall be deemed applications for Joint Membership, or if one of them is already a

Member, then such Member may request the conversion of such Membership into a Joint Membership. All provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of Membership shall apply equally, severally and jointly to such Natural Persons holding a Joint Membership, without limiting the generality of the foregoing:

1. the presence at a meeting of the Members of either or both such Natural Persons shall constitute the presence of one Member or a joint waiver of notice of such meeting, as the case may be; and,
2. notice to or waiver of notice signed by either or both such Natural Persons shall constitute ~~suspension or termination~~ notice to or waiver of notice ~~of by~~ the Joint Membership; and
3. suspension or termination in any manner of either or both such Natural Persons shall constitute suspension or termination of the Joint Membership, and
4. either, but not both concurrently, shall be eligible to serve as a Director of the Cooperative, but only if both meet the qualifications required therefore; and,
5. neither will be permitted to have additional service connections except through their one Joint Membership; and,
6. upon the death of either Natural Person who is a party to a Joint

Membership, all right, title, interest and power in and to such Joint Membership shall vest in and to the surviving Natural Person (surviving Joint Member); provided, however, that the estate of the decedent shall not be released from any debts due the Cooperative by the decedent.

C. Member Obligations: In consideration of Membership in the Cooperative, any and all Members shall:

1. Purchase of Energy or Services: Purchase from the Cooperative energy or other services sold or offered for sale by the Cooperative on a non-profit, cooperative basis for use by the Member on the Member's premises identified on the Member's application for Membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and such Member shall pay therefore at the times, and in

accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established, from time to time, by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in the Bylaws. Production or use of energy or services on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be established, from time to time, by the Cooperative. Each Member shall pay all other amounts owed by him to the Cooperative as and when they become due and payable. When a Member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding account for all such service connections, notwithstanding that the Cooperative's actual accounting procedures may not reflect such allocation and proration.

2. Grant of Easements: Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative such easements or rights-of-way over, on and under such lands owned or leased by the Member in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of distribution service to such Member or to other Members. Each member shall participate in any required program that may be established by the Cooperative to enhance the services being furnished.

3. Compliance with Electrical Standards: Cause all premises receiving energy or services pursuant to his Membership to become and to remain wired in accordance with the specifications of the rules of the Illinois State Fire Marshall's office, the National Electric Code, any applicable state code or local government ordinances and of the Cooperative. Each Member shall be responsible for, and shall indemnify and hold harmless the Cooperative and its Directors, officers, employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring and apparatuses connected thereto or used thereon. Each Member shall make available to the Cooperative a suitable site, as determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing and metering of energy or other service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source, for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service, each Member shall not interfere with, impair the operation of, or cause any damage to such facilities, and shall use his best efforts to prevent others from so doing. Each Member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the

Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the Member, or by any other person when the Member's reasonable care and surveillance should have prevented such, the Member shall indemnify and hold harmless the Cooperative and its Directors, officers, employees, agent and independent contractors against death, injury, loss or damage resulting there from, including but not limited to the Cooperative's costs of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its meter equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations indemnify the Member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing energy or other service extend beyond the point of delivery.

4. Compliance with Cooperative Rules: Each Member, by applying for Membership with the Cooperative, agrees to comply with the Bylaws and the rules, regulations, rates, and policies of the Board of Directors, [as amended from time-to-time](#).

SECTION 3: MEMBERSHIP TERMINATION AND SUSPENSION:

A. Suspension of Membership: Upon a Member's failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with his Membership obligations, a Person's Membership, shall [automatically](#) be suspended, and such ~~Member individual or entity so suspended~~ shall not during such suspension be entitled to receive energy or other service from the Cooperative or any other ~~of his Mm~~ membership rights. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement and/or cessation of any other noncompliance with ~~his Mm~~ membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the ~~Membership~~ membership, in which event the Member shall thereafter be entitled to receive service from the Cooperative and to all other of his Membership rights.

B. Termination of Membership:

1. By Expulsion: Upon failure of an [individual or entity with a suspended membership](#) ~~to suspended Member to be~~ automatically reinstated to Membership, as provided in

Section 23(A), such ~~Member individual or entity~~ may, without further notice, but only after due hearing if such is requested by such ~~Member individual or entity~~, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board of Directors. Any ~~person individual or entity~~ so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the Members, appeal to and be present and heard at such Member meeting, at which the Members may vote to approve or disapprove such expulsion, in which latter event such ~~individual or entity's Member's M~~membership shall be reinstated retroactively to the date of ~~his~~ expulsion. After any finally effective expulsion of an ~~individual or Member entity~~, such ~~Member individual or entity~~ shall not again become a Member of the Cooperative except upon new application therefore duly approved as provided in Section 2 of the Bylaws. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed Membership as it determines to be reasonably necessary to assure the applicant's compliance with all Membership obligations.

2. By Withdrawal or Resignation: A Member may withdraw from Membership upon such generally applicable conditions as the Board of Directors shall prescribe or upon either (a) ceasing to (or, with the approval of the Board of Directors, resigning his Membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished service pursuant to his Membership, or (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the service on such premises.

3. By Death or Cessation of Existence: Except in the case of a Joint Membership, the death of a Member who is a Natural Person shall automatically terminate his Membership. The cessation of the legal existence of any other Member shall automatically terminate such Membership; provided, however, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such Membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished service pursuant to such membership in the same manner and to the same effect as though such Membership had never been held by different partners; provided further, that neither a withdrawing partner nor his estate shall be released from any debts of the partner, the partnership or the estate that are due the Cooperative.

C. Effect of Divorce: Upon the dissolution of marriage recognized under the laws of the State of Illinois, the ~~husband and wifespouses's wife's~~ Joint Membership shall not terminate, but shall be deemed to be converted to an Individual Membership transferred to that spouse as directed in the order of dissolution of marriage entered by such court of

competent jurisdiction; provided, however, that if such order of dissolution of marriage does not address the issue of the Membership, then absent a written agreement between the [husband and wifespouses](#) and the Cooperative, the Membership shall be deemed to be converted to an Individual Membership and transferred without further action to that spouse who is awarded or otherwise maintains possession of the premises which is served by the Cooperative and all right, title, interest and power in and to the capital credits allocated to such Membership shall be deemed to be transferred to such spouse, and all future capital credits shall be allocated to such spouse; provided further, however, that if neither spouse receives or otherwise maintains possession of the premises which is served by the Cooperative for any other reason and the Cooperative's service to said premises is discontinued, then the Cooperative shall divide all right, title, interest and power in and to the capital credits to such Membership equally between the [husband and wifespouses](#).

D. Effect of Termination: Upon the termination in any manner of a Member's Membership, he or his estate, as the case may be, shall be entitled to refund of his service security deposit, if any, theretofore paid to the Cooperative, less any amounts due the Cooperative; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a Member, as provided for herein, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from his Membership obligations as to entitle him to purchase from any other person any service he had been receiving for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such Membership.

E. Board Acknowledgement: Upon the termination of a Member's Membership for any reason, the Board of Directors, as soon as practical after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing service to such person. Upon discovery that the Cooperative has been furnishing service to any person other than a Member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, Membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practical, shall correct its Membership and all related records accordingly.

SECTION 4: MEETINGS OF MEMBERS, VOTING AND ELECTIONS:

A. Annual Meeting: For the purposes of ~~electing Directors~~[selecting Directors or announcing the results of the Director elections](#), hearing and voting on issues duly

submitted to the Members for a vote at such Meeting, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the ~~Members in attendance~~Meeting, the Annual Meeting of the Members of the Cooperative shall be held each year on such date at such place in one of the counties in Illinois within which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from time to time determine; ~~provided, however, that for cause sufficient to it, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior to the day otherwise established for such annual meeting.~~ It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, and to encourage Member attendance at ~~the~~an annual meeting. Failure to hold ~~the~~an annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative. Upon the approval of the Board of Directors, any annual meeting of the Members may be held in person or by mail, email, video conferencing, and/or web-based conferencing provided the Members are afforded the reasonable opportunity to participate in such annual meeting. Notwithstanding anything contained in these Bylaws to the contrary, Members attending an annual meeting may consider, vote, or act only upon a matter described in the notice of such meeting. Members may present an issue for consideration, voting, or action at an annual meeting if: (1) at least thirty (30) Members sign one or more written requests to raise or discuss the matter; (2) the Cooperative receives the written requests at least ninety (90) days before such annual meeting; and, (3) the Board of Directors approve each such matter submitted to the Cooperative for addressment by the Members at such meeting.

1. Notice and Waiver of Notice: Written notice of the place, day and hour of ~~the~~an annual meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of ~~the~~such meeting shall be delivered to each member not less than fifteen (15) days nor more than sixty (60) days prior to the date of such meeting, either personally or by mail, by or at the direction of the President or the Secretary and, in the case of a special meeting, at the direction of him or those calling the meeting. Any such notice delivered by mail may be included with member service billings or as an integral part of the Cooperative's monthly newsletter. No matter the carrying of which, as provided by law, requires the affirmative votes of ~~at least a majority of all the~~a simple majority of the Members present shall be acted upon at any meeting ~~Cooperative's members shall be acted upon at any meeting~~ of the Members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least fifteen (15) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any Member to receive a notice deposited in the mail addressed to the Member at his address as shown on the Cooperative's books shall not invalidate any action which may be taken by the Members at any such meeting, and the attendance in person of a Member at any meeting of the

Members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened. Any Member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

2. Written Waiver of Notice: Any Member or Director may waive, in writing, any notice of any Member meeting required to be given under the Bylaws, or any notice otherwise required by law, either before or after such notice is required to be given.

3. Quorum: Business shall not be transacted at any meeting of the Members unless there are present, in person or as otherwise permitted by the Board of Directors, provided any methods for appearance by means other than in person shall be provided for in the notice required for such meeting. at least one hundred fifty (150) of the Cooperative's Members, except that, if less than a quorum is present at any meeting, a majority of those present in person may, without further notice, adjourn the meeting to another time and date not less than fifteen (15) days and not more than sixty (60) days later and to any place in one of the counties of within which the Cooperative serves; provided, however, that the Secretary shall notify any absent Members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in the Bylaws. At all meetings of the Members, whether a quorum be present or not, the Secretary shall include the number of Members present in the minutes for such meeting, annex to the meeting minutes, or incorporate therein by reference, a list of those Members who were registered as present in person.

4. Order of Business: The order of business at the Annual Meeting of the Members and, insofar as practicable or desirable, at all other meetings of the Members shall be essentially as follows:

- a. Report on the number of Members present in person in order to determine the existence of a quorum;
- b. Reading of the notice of the meeting and proof of the due giving thereof, or of 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, unless waived;
- d. Presentation and consideration of reports of officers, directors

and committees;

- e. Report on the Election of Directors or the Election of Directors;
- f. Unfinished business;
- g. New business and Report on any matters submitted to the Members for a
vote prior the meeting; and
- h. Adjournment.

Notwithstanding the foregoing, the Board of Directors or the Members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; provided, however, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

B. Special Meetings: A special meeting of the Members may be called by the Board of Directors, by the President, by any six (6) directors, or by petition signed by not less than ten percent (10%) of the Members, and it shall there upon be the duty of the Secretary to cause notice of such meeting to be given as provided in the Bylaws. Such a meeting shall be held at such a place in a county within which the Cooperative serves, on such date, not sooner than fifteen (15) days nor later than sixty (60) days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by him or those calling or petitioning for the same.

C. Voting on Issues Duly Presented to the Members: Each Member who is not in a status of suspension as provided for in Section 3 of the Bylaws, shall be entitled to only one (1) vote upon each matter, submitted to a vote of the Members. All questions shall be decided by a vote of a majority of the Members voting thereof, except as otherwise provided by law, the articles of incorporation of these Bylaws and for purposes of Director elections, as set forth in Section 4.D.

1. Voting by Mail. Any matter which the Board of Directors determines should be submitted to a vote of the Members may, at the discretion of the Board of Directors, be submitted to the Members to be voted upon by written ballots with the voting to be conducted by mail unless the laws of the State of Illinois, the articles of incorporation or these Bylaws provide otherwise. When voting by Members on any matter is to be conducted by mail, the Board of Directors shall fix an Election Date for the return of ballots and shall mail notice of the election and a ballot for the election to each Member not less than thirty (30) days before the Election Date. The Board of Directors shall make the

necessary arrangements to assure a fair and proper election. The provisions of this Section shall apply to all elections in which voting is by mail except it shall not apply to voting for Directors by mail to the extent that any provisions of this Section are inconsistent with Section 4.D.

2. Voting Electronically. Any matter which the Board of Directors determines should be submitted to a vote of the Members may, at the discretion of the Board of Directors, be submitted to the Members to be voted upon by electronic ballots with the voting to be conducted by electronic means unless the laws of the State of Illinois, the articles of incorporation or these Bylaws provide otherwise. For any vote that is conducted electronically, a Member must have an email account on file with the Cooperative to receive the ballot electronically and vote electronically, under such terms as determined necessary by the Board of Directors to protect the integrity of the election and the rights of all Members to participate. When voting by Members on any matter is to be conducted electronically, the Board of Directors shall fix an Election Date for the return of ballots and shall mail notice of the election and a ballot for the election to each Member not less than thirty (30) days before the Election Date. The Board of Directors shall make the necessary arrangements to assure a fair and proper election. The provisions of this Section shall apply to all elections in which voting is by electronic means except it shall not apply to voting for Directors by mail to the extent that any provisions of this Section are inconsistent with Section 4.D.

3. Voting at Cooperative Facility. Any matter which the Board of Directors determines should be submitted to a vote of the Members may, at the discretion of the Board of Directors, be submitted to the Members to be voted upon by written ballots with the voting to be conducted by polling place unless the laws of the State of Illinois, the articles of incorporation or these Bylaws provide otherwise. To facilitate Cooperative facility voting, the Board of Directors may establish a voting place at the Cooperative Headquarters and at one or more voting places in each District of the Cooperative at a Cooperative facility located in each District. When voting by Members on any matter is to be conducted at a Cooperative facility, the Board of Directors shall fix an Election Date for the return of ballots and shall deliver notice of the election and a ballot for the election to each Member not less than thirty (30) days before the Election Date. The Board of Directors shall make the necessary arrangements to assure a fair and proper election. The provisions of this Section shall apply to all elections in which voting is by Cooperative facility except it shall not apply to voting for Directors by mail to the extent that any provisions of this Section are inconsistent with Section 4.D.

4. Voting by Aggregate Means. Any matter which the Board of Directors determines should be submitted to a vote of the Members may, at the discretion of the Board of Directors, be submitted to the Members to be voted upon by aggregate means unless the laws of the State of Illinois, the articles of incorporation or these Bylaws provide otherwise. For purposes of these Bylaws, the term "aggregate means" shall mean a combination of voting by mail, voting electronically, and/or voting at Cooperative facility. When voting by

Members on any matter is to be conducted by aggregate means, the Board of Directors shall fix an Election Date for the return of ballots and shall mail notice of the election and a ballot for the election to each Member not less than thirty (30) days before the Election Date. The Board of Directors shall make the necessary arrangements to assure a fair and proper election.

5. Election Date. The term Election Date as used in these Bylaws shall mean the date of the meeting of members at which the election is to be held if the election is to be held at the meeting of members or the date of the deadline for the return of ballots if the election is to be conducted by ballot by mail, electronically, or at a Cooperative Facility.

6. Voting at Member Meeting. The Board of Directors may submit to the Members at any meeting of the Members, one or more questions or issues for consideration and voting by the Members; provided, however, that notice shall be given of the submission of such questions or issues to the Members in the notice of meeting referred to in Section 4(A)(1) of the Bylaws. ~~Except as prohibited by applicable law, the Articles of Incorporation, or the Bylaws, at any meeting of the Members, the Members may, by majority vote of the Members present at such meeting, call any question or issue before the Members for consideration and a vote.~~ At all meetings of the Members, all duly submitted issues or questions shall be decided by secret written ballot cast by the Members present at such meeting of the Members of the Cooperative, and such issue or question shall be determined by the affirmative vote of a majority of the Members present, unless otherwise required by applicable law, the Articles of Incorporation, or the Bylaws. ~~In the voting on questions or issues duly submitted to the Members for a vote at a meeting of the Members of the Cooperative, each Member who is not in a status of suspension as provided for in Section 3 of the Bylaws shall be entitled to one vote upon each issue submitted to a vote at any meeting of the Members.~~

D. Election of Directors: At each Annual Meeting of the Members of the Cooperative, ~~the results of the Director elections shall be announced or~~ Directors shall be elected by secret written ballot cast (except as otherwise provided in this section) by the Members present at such annual meeting and qualified to vote under the terms and conditions of the Bylaws. Such elections shall be conducted as follows:

1. Appointment of Nominations Committee: The Board of Directors shall appoint, not less than one hundred fifteen (115) nor more than one hundred forty-five (145) days prior to the ~~date of the Annual meeting of the Members of the Cooperative~~ Election Date, a Nominations Committee which shall consist of nine (9) Natural Persons, three (3) from each Directorate District. Members of the Nominations Committee shall not be employees, agents, officers, or Directors of the Cooperative, shall not be known candidates

for Director, and shall not be Close Relatives of employees, agents, officers, Directors of the Cooperative, or known candidates for Director.

2. Candidates Nominated by Nominations Committee: On or before eighty-five (85) days prior to the ~~Annual Meeting of the Members of the Cooperative~~Election Date, the Nominations Committee shall:

- a. Nominate as many Natural Persons who meet the qualifications stated in Section 5B of these Bylaws as the Nominating Committee deems desirable to be candidates for election to the Board of Directors; and,
- b. Post a list of the names of such Natural Persons so nominated by the Nominations Committee at the principal place of business of the Cooperative.

3. Candidates Nominated by Petition: In addition to those candidates named by the Nominations Committee, any fifteen (15) or more Members of the Cooperative may nominate such other Natural Persons as candidates for election to the Board of Directors by filing with the Secretary of the Cooperative not less than seventy-five (75) days prior to the ~~Annual Meeting of the Members of the Cooperative~~Election Date a written petition bearing the signatures, names and addresses of at least fifteen (15) Members of the Cooperative nominating such other Natural Persons as candidates for election to the Board of Directors and listing such candidates' names, addresses, ~~ages~~, and telephone numbers. The Secretary of the Cooperative shall post such petition at the principal places of business of the Cooperative where the list of nominations made by the Nominations Committee was posted.

4. Notice to Members of Nomination of Candidates: The Secretary of the Cooperative shall mail or cause to be mailed to the Members notice of ~~the nomination of candidates~~the ~~Annual Meeting of the Members of the Cooperative at~~ least ~~fifteen (15)~~thirty (30) days but not more than sixty (60) days before the ~~date of said annual meeting~~Election Date ~~containing among other required information,~~ a statement of ~~the names,~~the names ~~addresses, ages, and telephone numbers~~ ~~and representative~~ District of all candidates nominated for election to the Board of Directors ~~-and form ballots for any matter to be voted on, including for the election of the Board of Directors. For the election to the Board of Directors, s~~Such statement ~~and ballot~~ shall identify the Directorate District to which such candidate may be elected, and such statement ~~and ballot~~ shall identify which candidates were nominated by the Nominations Committee and which candidates were

nominated by petition filed by Members of the Cooperative. ~~Further, the notice shall contain the information necessary to ensure proper notice to the Members of the procedures for casting a ballot in such ways to ensure a fair and proper election, whether that be by voting by mail, voting electronically, voting at Cooperative facility, and/or voting by aggregate means.~~

5. Credentials and Election Committee: The Board of Directors shall, not less than ~~thirty (30)~~ ~~eighty-five (85)~~ days nor more than ~~sixty (60)~~ ~~one hundred (100)~~ days before the ~~Annual Meeting of the Members of the Cooperative~~ Election Date, appoint a Credentials and Election Committee consisting of an uneven number of Members numbering not less than ~~three (3)~~ ~~nor more than~~ nine (9). Members of the Credentials and Election Committee:

a. Shall not be a Director, Member of the Nomination Committee, a signatory to any petition filed by the Members nominating any candidate for election to the Board of Directors, or an existing Cooperative employee, agent, officer, or known candidate for Director;

b. Shall not be a Close Relative of any Director, member of the Nomination Committee, signatory to any petition filed by the Members nominating any candidate for election to the Board of Directors, or any existing Cooperative employee, agent, officer, known candidates for Director.

In appointing the Credentials and Election Committee, the Board of Directors shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall, prior to the mailing of the Notice to Members of Nomination of Candidates and prior to both the Annual Meeting of the Members of the Cooperative Election Date and Annual Meeting, hold a meeting. At such meeting, the Credentials and Elections Committee shall:

a. Elect a chairman and secretary;

b. Establish or cause to be established and thereafter adopt procedures for conducting Member registration;

c. ~~Establish~~ Subject to the other provisions in this Section 4(D) and the Board of Directors exclusive authority to establish the type of voting procedure to be implemented as set forth in Section 4(C), establish or cause to be established and thereafter adopt all necessary ballots, or other voting measures deemed necessary to conduct the election of candidates to the Board of Directors ~~at the Annual Meeting of the Members of the Cooperative~~; and thereafter to pass and rule upon all questions that may arise with respect to the registration of Members, to count all ballots or other votes cast in any such election,

to rule upon the effect of any ballots or other ballots irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to Member voting and the election of candidates to the Board of Directors, including but not limited to the validity of petitions of nomination, qualifications of candidates, the regularity of the nomination and election of candidates to the Board of Directors, and to pass upon any protest or objection filed with respect to any such election or conduct arising out of or in any way affecting such election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election or matter arising out of or related thereto, such protest or objection shall be filed with the Secretary of the Credentials and Election Committee in writing not later than three (3) days following the ~~adjournment of the Annual Meeting of the Members of the Cooperative in which such election was conducted.~~ Election Date for such issue. Such protest or objection shall be filed in the form of a petition and shall specifically state the nature of the protest or objection and shall state with particularity all facts supporting or otherwise evidencing such protest or objection. The Credentials and Election Committee shall thereafter be reconvened at the direction of its chairman within seven (7) days after such petition is duly filed, and shall hold an evidentiary hearing on the petition and the matters raised therein. The Credentials and Elections Committee may hear such evidence as it deems relevant as presented by the protestors or objectors, who may be heard in person, by counsel, or both, and any opposing evidence presented by any party opposing such petition. The Committee, by the affirmative vote of a majority of those members present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to amend, modify or change the result or outcome of such election, or to set such election aside. The Credentials and Election Committee's decision shall be in writing, and shall be deemed final subject to judicial review by a court of competent jurisdiction pursuant to applicable laws of the State of Illinois. The Committee shall not affirmatively act on any matter unless a majority of the Committee is present.

6. Voting on Election of Directors: In voting on the election of Directors, each Member shall be entitled to cast the number of votes (but not cumulatively), which corresponds to the total number of Directors to be elected, but no Member may vote for more candidates than the number of Directors that are to be elected from or with respect to any particular Directorate District. Ballots marked in violation of the foregoing restriction with respect to one or more Directorate Districts shall be deemed invalid by the Credentials and Elections Committee, and shall not be counted. ~~The Board of Directors may establish one or more voting places in each District of the Cooperative at a Cooperative facility located in each District.~~ A Member may vote for the election of Directors or on any other matter legally submitted to a vote in any of the ways allowed by the Board of Directors for such vote as set forth in the notice at the place of any meeting of the Members, or at a voting place in each Directorate District, but not in ~~both places more than one (1) way or place.~~ Directors shall be elected by a:

~~a. Plurality: A plurality of the votes cast shall be required to elect a a~~
~~candidate to the Board of Directors. Drawing by lot shall resolve,~~
~~where necessary, any tie votes; or,~~

~~b. Election by Acclamation: If number of candidates nominated for election to the Board of Directors, does not exceed the number of Directors to be elected from a particular Directorate District, and if there is no objection from the Members present at the Annual Meeting after a call for such objection is made, then secret written balloting may be dispensed within respect of that particular election of that particular Director and voting may be conducted by acclamation rather than by ballot.~~

E. Proxy Attendance and Voting, Absentee Voting and Voting by Entities: Proxy attendance and voting is prohibited. However, anything contained in the Bylaws to the contrary notwithstanding, a Member may vote by absentee ballot as follows: A Member desiring to cast his vote absentee, shall appear in person at the Cooperative's headquarters at Greenville, Illinois, during the ten weekdays preceding the election at regularly scheduled office hours, or at such other locations as may be established from time to time by the Board of Directors for the purpose of casting absentee ballots, during hours and days as directed by the Board of Directors and shall request an absentee ballot. An absentee ballot approved by the Credentials and Election Committee shall be provided and the Member shall cast such ballot secretly and seal such ballot in an envelope, which shall be provided in such sealed envelope to the Credentials and Election Committee. On the date of the Annual Meeting of the Members, the Credentials and Election Committee shall open and count such absentee ballots so provided. Any absentee ballot, which is delivered to the Credentials and Election Committee in an unsealed condition, shall be deemed invalid and shall not be counted. Notice of this Bylaw provision shall be provided to the Members of the Cooperative in the notice of Annual Meeting. Voting by Members other than Members who are Natural Persons shall be allowed only upon the presentation to the Cooperative by a duly appointed officer or agent of such Member (prior to ~~or upon~~ registration of such Member at each Member meeting, or when requesting an absentee ballot ~~votes being tallied~~) of satisfactory evidence entitling such officer or agent presenting the same to cast a vote on behalf of such Member.

F. Savings Clause: Notwithstanding any provisions contained in these Bylaws, failure to comply with any of such provisions of these Bylaws shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of Directors.

SECTION 5: DIRECTORS:

A. Number of Directors and General Powers: The business and affairs of the Cooperative shall be managed by the Board of Directors, which shall consist of nine (9) Directors. The Board shall exercise all of the powers, express and implied, necessary for the operation and management of the affairs of the Cooperative, except those expressly reserved to the Members by applicable law, the Articles of Incorporation or the Bylaws. In addition, the Board of Directors shall have the following powers:

1. Committees, Rules, Regulations, Rate Schedules, Contracts and Policies: The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, policies, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid to construction, not inconsistent with applicable law or the Articles of Incorporation or Bylaws, as the Board of Directors may deem necessary for the management, administration and regulation of the business and affairs of the Cooperative. In a manner consistent with the Act, the Board of Directors by majority vote may create one or more committees to act and otherwise serve in such capacity as the Board of Directors may, from time to time, determine.

2. Accounting System and Reports: The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial conditions as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

3. Subscription to Cooperative's Newsletter: For the purpose of disseminating information devoted to the economical, effective and conservative use of energy and other services, the Board of Directors shall be empowered, on behalf of and for circulation to the Members periodically, to subscribe to the Cooperative's Newsletter, "*The Southwestern*," published by the Cooperative, the cost of which shall be deducted from any funds accruing in favor of such Members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

4. Contracts and Banking: Except as otherwise provided by law or the Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances. 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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

B. Qualifications: To be eligible to become or remain a Director of the Cooperative, such person:

1. Shall not be a Close Relative of an incumbent Director;
2. Shall not be an employee or agent of the Cooperative or have been employed by the Cooperative within three (3) years from the applicable Election Date;
3. ~~Shall not be, directly or indirectly, employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to, among others, the Members of the Cooperative;~~
4. Shall not be, directly or indirectly, interested in any contract, permit, franchise or other similar agreement or authorization to which the Cooperative is or may be a party;
5. Shall be a Member in good standing with the Cooperative and receiving energy or service from the Cooperative at his primary place of abode, which shall correspond with the Directorate District in which such Member is to represent or represents;
6. Shall be a Natural Person~~;~~;
7. Shall be at least eighteen (18) years of age, ~~provided, however, that a duly elected officer or duly appointed agent of any Member which is not a Natural Person shall be exempt from the qualifications stated in Section 5(B)(6) and Section 5(B)(7) if such Member is in good standing with the Cooperative and receiving energy or service from the Cooperative.~~

C. Disqualification: Any Person who is not qualified to become or remain a Director shall be disqualified by the then serving Board of Directors. It shall be the duty of the Board of Directors to remove or cause to be removed any Person who is not qualified to become or remain a Director.

D. Directorate Districts: The territory served by the Cooperative is and shall be divided into three (3) Directorate Districts described below, and each Directorate District shall be represented at all times on the Board of Directors by three Directors:

Directorate	Number of	
District No.	Description	Directors
I	Madison, St. Clair & Macoupin Counties	3
II	Bond, Montgomery & Clinton Counties	3
III	Fayette, Effingham, Marion & Shelby & Clay Counties	3

E. Term of Directors: Directors duly elected pursuant to the Bylaws shall serve staggered terms, and shall thereafter be so nominated and elected so that one Director from or with respect to each of Directorate Districts I, II, and III shall be elected for a three (3) year term at an Annual Meeting of the Members of the Cooperative; and thereafter, one (1) director from or with respect to each of Directorate Districts I, II, and III shall be elected for a three (3) year term at the Annual Meeting of the Members of the Cooperative; and thereafter, one (1) Director from or with respect to each of Directorate Districts I, II, and III shall be elected for a three (3) year term at the next Annual Meeting of the Members of the Cooperative, and so forth; provided, however, that the terms of any two (2) Directors from the same Directorate District shall not coincide. Upon their election, Directors shall, subject to the provisions of these Bylaws with respect to the removal of Directors, serve until the Annual Meeting of the Members of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of Directors shall not be held at an Annual Meeting of the Members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next Annual Meeting of the Members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over and continue only until the conclusion of an election duly held pursuant to the Bylaws.

F. Removal of Directors by Members: Any Member may bring one or more charges for cause against any one or more Directors and may request the removal of such Director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten percent (10%) of the total Members of the Cooperative, which petition shall call for a special Member meeting, the stated purpose of which shall be to hear and act upon such charges and, if one (1) or more Director(s) are recalled, to thereafter elect their successor(s), and which specifies the place, time and date thereof not less than sixty (60) days after filing of such petition, or which requests that the matter

be acted upon at the subsequent annual Member meeting if such meeting will be held no sooner than sixty (60) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name and address of each Member filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the Director(s) against whom such charge(s) are being made. The petition shall be signed by each Member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the Director(s) against whom the charge(s) and have been made, of the Member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the Members not less than fifteen (15) days prior to the special Member meeting at which the matter will be acted upon; provided, however, that the notice shall set forth only twenty (20) of the names (in alphabetical order) of the Members filing one or more charges if twenty (20) or more Members file the same charge(s) against the same Director(s). Such Director(s) shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the special Member meeting at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such Director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor; provided, however, that the question of the removal of a Director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through sworn testimony, documents or otherwise. A newly elected Director shall be from or with respect to the same Directorate District as was the Director whose office he succeeds and shall serve the remaining portion of the removed Director's term.

G. Vacancies: Except for vacancies filled pursuant to Section 5F of these Bylaws, all vacancies occurring on the Board of Directors shall be filled by appointment of the Board of Directors. A Director thus appointed by the Board of Directors shall serve out the remaining term of the Director whose office was vacated and until a successor is duly elected; provided, however, that such Director shall be from the same Directorate District as was the Director whose office was vacated; and provided further that if the remaining term of the vacated office is less than ~~ninety-five (95) from the applicable Election Date associated with the remaining vacated term~~ ~~180 days~~, then such vacancy shall be filled by ~~a special election to be conducted in accordance with the Bylaws as expeditiously as practical, but in no event later than one hundred forty-five (145) days from the date of vacancy.~~ ~~the plurality vote of the Members at the Annual Meeting of Members in accordance with the Bylaws.~~

H. Compensation and Expenses: Directors shall, as determined by a resolution of the Board of Directors, receive on a per diem basis, a fixed fee, which may include insurance benefits, (a) for attending meetings of the Board of Directors; and, (b) when such has had prior approval of the Board of Directors for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred. No Director shall receive compensation for serving the Cooperative in any other capacity, nor shall any Close Relative of a Director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the Members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure; provided, however, that a Director who is also an officer of the Board of Directors, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

SECTION 6: MEETINGS OF THE BOARD OF DIRECTORS:

A. Regular Meetings: ~~A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the Annual Meeting of the Members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual meeting. The A~~ regularly scheduled meetings of the Board of Directors shall ~~also~~ be held monthly at such date, time and place in one of the counties in Illinois within which the Cooperative serves as the Board shall provide by resolution. Such regular monthly meeting(s) may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted at such meeting shall require special notice; provided, however, that any director absent from any meeting of the Board of Directors 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 of Directors; and provided further that, if a policy therefore is established by the Board of Directors, the President may change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days notice thereof to all Directors.

B. Special Meetings: Special meetings of the Board of Directors may be called by resolution of the Board of Directors, or by any three (3) Directors, or by the President, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 6(C) of the Bylaws. The Board, the President, or the Directors calling the meeting shall fix the date, time and place for the meeting, which shall

be held in one of the counties in Illinois within which the Cooperative serves, unless all Directors consent to its being held in some other place in Illinois or elsewhere.

C. Notice of Meetings: Written notice of the date, time, place ~~(or telephone conference call)~~ and purpose or purposes of any special meeting of the Board shall be delivered to each Director not less than five (5) days prior thereto, either personally, ~~or~~ by mail, or by electronic communication, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by him or those calling it in the case of a special meeting or by any director in the case of a meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. If delivered personally, such notice shall be deemed to be delivered upon receipt. If delivered by electronic communication, such notice shall be deemed to be delivered when sent, provided notice is sent to the most recent electronic contact information as it appears on the record of the Cooperative. The attendance of a Director at any meeting of the Board of Directors shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. A Director may waive, in writing, any notice of any meeting required to be given under the Bylaws, or any notice otherwise required by law, either before or after such notice is required to be given.

D. Quorum: The presence of a majority of the Directors then in office shall be required for the transaction of business and the affirmative votes of a majority of the Directors present shall be required for any action to be taken by the Board of Directors; provided, however, that a Director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; and provided further that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent Directors to be duly and timely notified of the date, time and place of such adjourned meeting.

E. Telephonic or Related Participation: Directors may participate in a meeting through conference telephone, video conferencing, or other virtual communication platforms that allow all participants to hear and communicate with one another. Participation in this manner shall constitute presence at the meeting for all purposes, including but not limited to the determination of a quorum. ~~Directors may participate in a meeting by means of a conference telephone or similar communication equipment by~~

~~means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting for all purposes, including but not limited to the determination of a quorum.~~

SECTION 7: OFFICERS: The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be created by the Board of Directors. The office of Secretary and Treasurer may be held by the same person.

A. Election and Term of Office: The President, Vice President, Secretary and Treasurer shall be elected ~~by secret written ballot, annually and without prior nomination,~~ by and from the Board of Directors at the first meeting of the Board held after the Annual Meeting of the Members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board of Directors first held after the next succeeding Annual Meeting of the Members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board of Directors from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable. A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board of Directors for the remaining portion of such term as the Board of Directors shall from time to time determine.

B. Removal: Any officer, agent or employee elected or appointed by the Board of Directors may be removed at the discretion of the Board of Directors.

C. President: The President shall (1) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members; (2) sign, 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, (3) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

D. 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; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

E. Secretary: The Secretary shall (1) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose; (2) see that all notices are duly given in accordance with these Bylaws or as required by law; (3) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law; (4) keep, or cause to be kept, a register of the name and post office address of each Member, which address shall be furnished to the Cooperative by such Member; (5) sign, with the President, documents which shall have been authorized by resolution of the Board of Directors; (6) have general charge of the books of the Cooperative in which a record of the Members is kept; (7) keep on file at all times a complete copy of the Cooperative's Article of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any Member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any Member; and, (8) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

F. Treasurer: The Treasurer shall (1) have charge and custody of and be responsible for all funds and securities of the Cooperative; (2) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and, (3) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

G. Delegation of Secretary's and Treasurer's Responsibilities:

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer provided in the Bylaws, the Board of Directors by resolution may, except as otherwise prohibited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not

Directors. ~~To the extent that the Board of Directors does so delegate with respect to any such officer, until that officer as such shall be released from such duties, responsibilities and authorities, such officer shall retain supervisory responsibility over the performance of such delegated duties and shall remain accountable to the Board of Directors for the actions of any person to whom such duties have been delegated. To the extent that the Board of Directors does so delegate with respect to any such officer, until that officer as such shall be released from such duties, responsibilities and authorities.~~

Commented [AL1]: I realized after our last meeting that the last sentence of this section was not complete. I completed the language that requires the Secretary or Treasurer, as the case may be, to continue to ensure the appointment agent is acting within their delegation. The only alternative would be to require the Board to take the supervisory role but it made more sense to me that the Officer's whose role is delegated maintain supervisory role.

H. General Manager; Chief Executive Officer: The Board of Directors may appoint a General Manager, who may be, but who shall not be required to be, a Member of the Cooperative, and who also may be designated Chief Executive Officer. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him.

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

J. Compensation; Indemnification: The compensation, if any, of any officer, agent, employee or Director shall be determined by the Board of Directors by majority vote. Each person who at any time is or shall have been a Director, officer, employee, or agent of the Cooperative, or is or shall have been serving at the written direction of the Cooperative as a Director, officer, employee or agent of another corporation, partnership, company, joint venture, trust or other enterprise shall be indemnified by the Cooperative in accordance with and to the fullest extent permitted by the Act, as amended from time to time. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeks indemnification may be entitled to under any other written agreement duly approved by the majority vote of the Board of Directors and executed by the Cooperative. The Board of Directors may approve, by majority vote, the purchase of insurance on behalf of any person serving as a Director, officer, employee or agent of the Cooperative or at the direction of the Cooperative to the fullest extent permitted by the Act, as amended from time to time.

K. Reports: The officers of the Cooperative shall submit at each Annual Meeting of the Members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

SECTION 8: NON-PROFIT, COOPERATIVE OPERATION, & NOTICE

OF CONTRACT:

A. Interest or Dividends on Capital Prohibited: The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its Members ~~or Patrons~~. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Members ~~or Patrons~~.

B. Patronage Capital: In the furnishing of energy or services to Members ~~or Patrons~~ on a cooperative basis, the Cooperative's operations shall be conducted so that all Members ~~or 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, cooperative basis, the Cooperative is obligated to account on a patronage basis to all its Members ~~and Patrons~~ for all amounts received and receivable from the furnishing of energy or other services in excess of operating costs and expenses properly chargeable against the furnishing of energy or other services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the Members ~~or Patrons~~ as capital. The Cooperative is obligated to pay by credits to a capital account for each Member ~~or 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 Member ~~or Patron~~ is clearly reflected and credited in an appropriate record to the capital account of each Member ~~or Patron~~, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each Member ~~or Patron~~ of the amount of capital so credited to his account. All such amounts credited to the capital account of any Member ~~or Patron~~ shall have the same status as though they had been paid to the Member ~~or Patron~~ in cash in pursuance of a legal obligation to do so and the Member ~~or Patron~~ had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative from non-operation activity in excess of costs and expenses shall, in the discretion of the Board of Directors and insofar as permitted by law, be used to offset any losses incurred during the current or any prior fiscal year, and to the extent not needed for that purpose, at the discretion of the Board of Directors, shall be allocated or not allocated to the Members ~~or Patrons~~ on a patronage basis. Any amount so allocated shall be included as a part of the capital credited to the accounts of its Members ~~or Patrons~~, as provided herein. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the

Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of Members; provided, however, that after the payment of debt and the retirement of outstanding capital credits to Members ~~and Patrons~~, all remaining assets shall be distributed to Members, ~~but not Patrons~~, of the Cooperative. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to Members' ~~and/or Patrons'~~ accounts may be retired in full or in part. Any such retirements of capital shall be made on such terms and conditions as the Board of Directors shall determine. Capital credited to the account of each ~~Patron Member shall~~ may be assignable ~~pursuant to policies of general application as established by the Board of Directors only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such Patron's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise.~~ Notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the death of any ~~Patron Member~~, who was a natural person ~~for, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a Patron, which assignee was a natural person~~, if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. Further notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the termination of membership of any Member, whether by expulsion, withdrawal, resignation, or cessation of existence, if such terminated Member or the legal representatives of such terminated Member shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such terminated Member or legal representatives, shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. Pursuant to policies of general application, ~~t~~The Cooperative, before retiring any capital credited to any ~~Patron's Member's~~ account, shall deduct there from any amount owing by such ~~Patron Member~~ to the Cooperative, ~~together with interest thereon at the Illinois legal rate on judgments in effect when such amount became overdue, compounded annually.~~ If the Board of Directors elects to retire capital credits as provided for herein, but one or more Members cannot be identified or located after reasonable exercise of due diligence and due inquiry, then the Board of Directors, acting under policies of general application, may declare the capital credits of such Members as permanent equity, and such capital credits shall be thereafter recorded on the books and records of the Cooperative as permanent equity of the cooperative; ~~provided, however, that if such~~

~~Member is located and identified the capital credits of such Member that were recorded as permanent equity of the Cooperative shall be paid to such Member.~~

C. Notice to Members ~~or Patrons~~ of Contract: The Members 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 Member, and both the Cooperative and the Members are bound by such contract, as fully as though each Member had individually signed a separate instrument containing such terms and provisions. The provisions of the Bylaws shall be called to the attention of each Member ~~or Patron~~ of the Cooperative by the posting of the Bylaws in a conspicuous place in the Cooperative's offices.

SECTION 9: DISPOSITION AND PLEDGING OF ASSETS; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION:

A. Disposition and Pledge: The Cooperative shall not merge or consolidate or sell, lease, exchange, or otherwise dispose of substantially all the assets of the Cooperative unless such merger or consolidation or sale, lease, exchange, or disposal is conducted and authorized at a meeting of the Members by the affirmative vote of two-thirds (2/3rds) of the Members in attendance at such meeting conducted and called in a manner consistent with the Act. The Board of Directors may sell, lease, exchange, transfer, or otherwise dispose of any property no longer deemed necessary or useful in the common course of the Cooperative's business in a manner consistent with the Act. The Board of Directors may, in the common course of the Cooperative's business, mortgage, pledge, convey security interests in, and otherwise encumber all or any 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 any revenues or income derived there from, to secure any indebtedness of the Cooperative to any financial institution in a manner consistent with the Act.

B. Distribution of Surplus Assets on Dissolution: Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors not inconsistently with the provisions of the Bylaws and the Act, be distributed without priority but on a patronage basis among all persons who have been Members of the Cooperative for any period(s) during its existence; provided, however, that if in the judgment of the Board of Directors the amount of such surplus is too small to justify the expense of making such distribution the Board may, in lieu thereof and within a period of one year after dissolution, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

SECTION 10: MISCELLANEOUS:

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

B. Rules of Order: Parliamentary procedure at all meetings of the Members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the Members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation, Bylaws or other rule, regulation, or policy duly adopted by the Members or the Board of Directors, as the case may be.

C. Cooperative 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, Illinois."

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

E. Interests in Other Organizations: The Cooperative may, upon authorization of the Board of Directors, become a member, stockholder or other interest holder in any other organization which the Board of Directors deems to be in the best interest of the Cooperative.

~~**F. — Statement of Nondiscrimination:** Southwestern Electric Cooperative, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture. In accordance with Federal law and the U.S.~~

Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, or disability (Not all prohibited bases apply to all programs):

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the Director of Human Resources. Any individual or specific class of individuals, who feels that this organization has subjected them to discrimination, may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible: