

BYLAWS
of
Tri-County Electric Cooperative Association

ARTICLE I

SECTION 1. REQUIREMENT FOR MEMBERSHIP. Any person, firm, association, corporation or body politic or subdivision thereof may become a member of the Tri-County Electric Cooperative Association (hereinafter called the "Cooperative") by:

- a) Filing a written application for membership therein;
- b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- c) Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of 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. The membership list maintained by the Cooperative shall be conclusive as to membership status.

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 provision relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the affect of constituting a joint waiver of notice of the meeting;
- 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 or position.

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.

SECTION 4. MEMBERSHIP AND SERVICE CONNECTION FEES. The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection. In addition to the membership fee the Cooperative shall have the right to require, in its discretion, that the member 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 or her application for membership, and shall pay therefore monthly at rates which shall from time to time be affixed by the Board of Directors. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. 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 by him or her 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 provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Cooperative that such failure makes him or her liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given.
- b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such a member shall thereupon terminate. Termination of membership in any manner shall not release a member, his or her personal representative or his or her 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 or her 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. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative 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 ten (10) 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 a 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 the members shall be held beginning with the year of 2016, on some day during the months of April, May, June, July, August, September, October, November or December, and of each year thereafter, to be determined and fixed by the Board of Directors at least sixty (60) days prior to the date of said meeting at such place in Adair, Schuyler or Scotland counties, in the State of Missouri, as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may properly come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or by ten per centum or more of all of 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 of Adair, Schuyler or Scotland, State of Missouri, 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 or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting, either personally or by mail or at the direction of the Secretary, or upon a default in duty by the Secretary, by persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the 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 two thousand members and one percent of the remaining members, present in person or by submission of a mail ballot, absentee ballot or electronic ballot for election of directors under the procedures established by resolution of the Board of directors 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 upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by vote of a majority of the members voting thereon in person except for director elections or as otherwise provided by law, the articles of incorporation or these bylaws. All voting shall be in person, and additionally, at the discretion of the Board of Directors, may also be carried out by use of mail ballot, absentee ballot or electronic ballot, or any combination thereof, under procedures established by resolution of the Board of Directors and disclosed concurrently with the notice of any meeting of members at which mail, absentee or electronic voting be allowed. In the event of a re-count of the ballots, all valid mail, absentee or electronic ballots shall be included within the results of any necessary re-count or re-balloting. Voting by proxy shall not be allowed.

SECTION 6. 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, will be set by a resolution of the Board of Directors and shall include the following:

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

ARTICLE IV DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of conversion or these bylaws conferred or reserved to the members.

SECTION 2. ELECTION AND TENURE OF OFFICE. At each Annual Meeting there shall be three (3) directors elected. The territory in which the Cooperative supplies electrical energy to its members shall be divided into geographical districts for the purpose of equitably distributing the Cooperative's directors over the district in which its members reside. The Board shall consist of one board member from each district as follows:

District No. 1. District Number One shall consist of all that part of the Cooperative's territory lying within the County of Schuyler in the State of Missouri north of Highway 136.

District No. 2. District Number Two shall consist of all that part of the Cooperative's territory lying within the County of Schuyler in the State of Missouri south of Highway 136.

District No. 3. District Number Three shall consist of all that part of the Cooperative's territory lying within the County of Scotland in the State of Missouri east of Highway 15.

District No. 4. District Number Four shall consist of all that part of the Cooperative's territory lying within the County of Scotland in the State of Missouri west of Highway 15.

District No. 5. District Number Five shall consist of all that part of the Cooperative's territory lying within the County of Scotland in the State of Missouri.

District No. 6. District Number Six shall consist of all that part of the Cooperative's territory lying within the County of Putnam in the State of Missouri.

District No. 7. District Number Seven shall consist of all that part of the Cooperative's territory lying within the County of Adair in the State of Missouri east of Highway 63.

District No. 8. District Number Eight shall consist of all that part of the Cooperative's territory lying within the County of Adair in the State of Missouri west of Highway 63.

District No. 9. District Number Nine shall consist of all that part of the Cooperative's territory lying within the County of Adair in the State of Missouri.

Directors shall be elected to serve until the third succeeding annual election of the members thereafter or until their successors shall have been elected and shall have qualified. Directors shall be elected by a plurality of the membership voting by mail, absentee or electronic ballot or in person at a membership meeting.

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 appliance, fixtures or supplies to the members of the Cooperative;
- c) is the incumbent or candidate for an elective public office in connection with which a salary or compensation in excess of one hundred dollars per annum is paid;
- d) is currently employed or during the five (5) years prior to becoming a director, have been an employee or a close relative, as defined in Section 7 below, of a full-time Tri-County Electric Cooperative employee or director.

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. Any fifteen (15) or more members acting together may make director

nominations by petition not more than ninety (90) days and not less than sixty (60) days prior to the meeting and the Secretary shall post such nominations at the principal office of the Cooperative. The Secretary shall be responsible for the mailing with the notice of the meeting or separately, but at least ten days (10) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates. No member shall sign more than one (1) nominating petition for a candidate seeking election from the same district. The names of incumbents shall be listed first on the official ballot. The remaining nominees shall be listed on the official ballot in the order of the receipt of the nominating petition.

SECTION 5. REMOVAL OF DIRECTORS.

- a) **REMOVAL OF DIRECTORS BY MEMBERS.** Any member may bring charges against 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 (10) 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 of the charges; and the person or persons bringing the charges against him or her 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.
- b) **REMOVAL OF DIRECTOR BY BOARD OF DIRECTORS.** Any director may bring charges against another director for conduct or behavior that is in breach of the charged director's fiduciary duty to the Cooperative. Such charge must be based on that director's abandonment and/or settled disregard for lawful standards of director conduct that are conducive to effective management of the Cooperative. It is not required that such charged breach of duty or pattern of behavior result in measurable damages to the Cooperative. The director shall be informed in writing or electronically of the basis for the proposed disqualification and removal at least ten (10) days prior to the meeting at which the charge will be heard by the full Board. The charged director shall have opportunity to offer rebutting or mitigating information regarding the proposed disqualification. If six (6) directors agree that the charge establishes good cause to believe that the charged director cannot or will not conform to lawful standards of director conduct, and that such non-conformance is detrimental to the function of the Board and the good of the membership, the director shall be removed from the Board. Any vacancy created by such removal may be filled by appointment of the Board of Directors until the next director election at which time the members shall elect a director to fill the unexpired term of the vacant director's seat.

SECTION 6. VACANCIES. Subject to the provisions of these bylaws, 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 attendance at each meeting of the Board of Directors. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative, namely,

Wife, Husband, Sons, Daughters, Father, Mother, Grandfather, Grandmother, Brothers, Sisters, Aunts, Uncles, Nieces, Nephews, Grandsons, Granddaughters, Father-in-law, Mother-in-law, Brothers-in-law, Sisters-in-law, or First-cousins 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 director or close relative shall have been certified by the Board of Directors as an emergency measure.

ARTICLE V MEETING OF DIRECTORS

SECTION 1. REGULAR MEETINGS. A regular meeting 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 in Lancaster, County of Schuyler, State of Missouri, 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 three (3) 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 or her 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; 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 the act of the Board of Directors except as otherwise provided in these bylaws. Attendance at meetings of the Board may be by telephone, video conferencing or other telegraphic means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

SECTION 5. MEETINGS BY CONFERENCE TELEPHONE. When presence in person at a meeting of the Board of Directors is impossible or not feasible, which may include but is not limited to the following causes, an act of God, natural disaster, national emergency, state emergency, insurrection, act of terrorism or war, and unless otherwise restricted by the Articles of Incorporation or by these bylaws, members of the Board of Directors may participate in a meeting of the Board of Directors through use of a conference telephone or similar communications equipment or device by means of

which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

ARTICLE VI OFFICERS

SECTION 1. NUMBER. The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board of 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 or her successor shall have been elected and shall have qualified. A vacancy in any office may 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 (10) 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 of the charges; and the person or persons bringing charges against him or her shall have the same opportunity. In event the board does not remove such officer; the question of his or her 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 of the Board of Directors, shall preside at all meetings of the members and Board of Directors;
- b) sign, with the Secretary, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts and 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;
- 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 or her inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him or her by the Board of

Directors.

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

- a) keeping the minutes of the meetings of the members and of the board;
- 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 provisions of these bylaws;
- d) keeping a register of the names and post office addresses of all members;
- e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be opened 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
- f) 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 or her by the board.

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

- a) custody of all funds and securities of the Cooperative;
- b) the receipts 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 bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- c) the general performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the board.

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 or her.

SECTION 9. BONDS OF OFFICERS. The treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with surety as the board shall determine. The board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 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 OPERATION

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its

patrons. No interest or dividends 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 operation shall be so conducted that all patrons, members and non-members alike, 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, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of the 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, members and nonmembers alike, as capital. The Cooperative is obligated to pay by credits to capital account for each patron all such amounts in excess of operating costs and expenses but subject to the limitations provided herein. 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 the close of the fiscal year notify each patron of the amount of capital so credited to his or her 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 the costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurring 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 pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. 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. 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 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 account, and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of "other capital" credited to patrons for the same year or of any capital credited to

patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from assignor and only to successors in the 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. In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of the membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any who is a natural person, if the legal representatives of his or her estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative shall not be impaired thereby at a discounted rate.

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

SECTION 3. UNCLAIMED MONIES. Notwithstanding any provisions herein contained to the contrary, any member, former member, or other patron who fails to claim any capital credits, patronage refunds, utility deposits, membership fees, or credit account balances within two (2) 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 monies. Upon expiration of two (2) years after availability of such monies, the Cooperative shall give sixty (60) days notice in a newspaper of general circulation, published in the county in which the Cooperative locates its general headquarters. Such notice shall contain the person's name, amount and type of monetary interest, and that if said monies are not duly claimed with sixty (60) days of notice, the same shall be deemed assigned and donated to the Cooperative. If no provable claim shall have been filed within sixty (60) days after the publication of such notice, the Cooperative shall, after off-setting 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 on the 60th day after the published notice. Upon first treating the unclaimed monies of any member, former member, or customer as donated capital, any future unclaimed monies of that member shall be treated as donated capital without notice.

SECTION 4. COOPERATIVE'S RIGHT TO COLLECT AMOUNTS OWED. By doing business with the Cooperative, all members agree that in the event it is necessary for the Cooperative to hire outside agencies, consultants, or attorneys to pursue collection activities for amounts owed by members to the Cooperative that the members agree to pay the Cooperative's costs for such outside

agencies, consultants, or attorneys in addition to the amount of bill originally owed by the member. Further, all members grant a security interest to the Cooperative in all monies including deposits, capital credits and other refunds that may be due member, in favor of the Cooperative to secure payment of any and all amounts owed by member to Cooperative including the cost of collection efforts. Prior to refunding any capital credits, overpayment or deposit, the Cooperative shall be entitled to offset such payment against any amounts owed by member to the Cooperative including the cost of collection efforts.

ARTICLE VIII DISPOSITION OF PROPERTY

SECTION 1. DISPOSITION AND PLEDGING OF PROPERTY.

- a) Not inconsistently with Mo. Rev. Stat. Section 394.180 and subsection (b) hereof, the Cooperative may, at a duly held meeting of the members, authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's properties and assets only upon the affirmative votes of two-thirds (2/3) of the then total members of the Cooperative; however, the Board of Directors, without authorization by the members, shall have full power and authority (1) to borrow monies from any source and in such amounts as the Board may from time to time determine, (2) to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust, (3) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties, assets, rights, privileges, licenses, franchises and/or permits as security therefore, and (4) to sell, lease, lease-sell, exchange, transfer or otherwise dispose of property no longer necessary or useful for the operation of the Cooperative, or property which is less than a substantial portion of the Cooperative's properties and assets. "Substantial portion" means ten (10%) percent or more of the Cooperative's total assets as reflected on its books at the time of the transaction.
- b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or any substantial portion of the Cooperative's properties and assets shall be authorized except in conformity with the following:
1. If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Presiding Judge for the First Judicial District in Missouri. If such judge refuses to make such designations, they shall be made by the Board of Directors.
 2. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Missouri (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective

reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

3. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than ten (10) days nor more than twenty-five (25) days after the giving of notice thereof to the members; PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not less than ten (10) days nor more than twenty-five (25) days after the giving of notice of such meeting.
4. Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

SECTION 2. The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives. No proposal to sell or transfer all or a substantial part of the assets of the Cooperative shall be submitted to a vote of the membership unless such proposal is approved by the Cooperative's Board of Directors as provided in this bylaw.

SECTION 3. TRANSFER TO SUBSIDIARY. The Board of Directors may transfer title to portions of the Cooperative's property and assets from time to time to wholly-owned subsidiary corporations when, in the Board of Directors' judgment, such transfers are necessary or appropriate or convenient to protect the Cooperative's investment and financial integrity. Such transfer shall be a change in nominal title only and shall not require membership approval as set forth in Section 1 of this Article.

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 evidences 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 bank or banks as the Board of Directors may elect.

SECTION 4. CHANGE IN RATES. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in rates charged by the Cooperative for electric energy becomes effective.

SECTION 5. FISCAL YEAR. The fiscal year of the Cooperative shall begin on the first (1st) day of January of each year and shall end on the thirty-first (31st) day, of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. 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 or notice of such meeting by such member or director, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 2. 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 3. 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 Administrator of the Rural Electrification Administration of the United States of America. 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 4. AREA COVERAGE. The board shall make diligent effort to see that electric service is extended to all un-served persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XIII AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting,

provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Statement of Nondiscrimination

Tri-County Electric Cooperative Association 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, the Americans with Disabilities Act of 1990, as amended, and the rules and regulations of the U. S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age, or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the general manager. 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; or the Secretary, U. S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

**Tri-County Electric Cooperative
Lancaster, Mo.**