

**AMENDED AND RESTATED BYLAWS
OF
C & L ELECTRIC COOPERATIVE CORPORATION**

September 17, 2019

**ARTICLE I
MEMBERSHIP**

SECTION 1. Requirements for Membership.

- (a) Any individual or Entity will become a member of C & L Electric Cooperative Corporation (the “Cooperative”) upon receipt of a Cooperative Service from the Cooperative, provided that he, she or it has first:
- (i) made a signed written application for membership therein;
 - (ii) agreed to purchase energy from the Cooperative as hereinafter specified;
 - (iii) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative, the applicable tariffs of the Cooperative and any rules, regulations, procedures, tariffs, and actions taken, adopted, promulgated or approved, all from time to time adopted by the Cooperative and all applicable laws and regulations (collectively, the “Governing Documents”);
 - (iv) paid the membership fee hereinafter specified;
 - (v) provided or agrees to provide all information required by the Cooperative, which information may include photographic identification satisfactory to the Cooperative and his or her social security number or its federal tax identification number; and
 - (vi) agrees to complete any additional or supplemental document, contract or action required by the Cooperative.
- (b) The individual or Entity is a person with the capacity to enter legally binding contracts (“Person”); and
- The Person consumes, receives, purchase or otherwise uses (“Uses” or any singular or plural tense thereof), or requests or agrees to Use when available a Cooperative Service generated, transmitted, distributed, sold, supplied, furnished or otherwise provided (“Provided” or any singular or plural tense thereof) by the Cooperative. A “Cooperative Service” is: (i) electric energy Provided by the Cooperative; and (ii) as determined by the Cooperative’s Board of Directors (“Board”), a good or service Provided by the Cooperative.
- (c) A Person, either individually or through an Entity not considered legally separate from the Person, may not hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.
- (d) An “Entity” includes a domestic or foreign: cooperative; business or nonprofit corporation; sole proprietorship; unincorporated association; limited liability company; partnership; trust; estate; persons having a joint or common economic interest; and local, regional, state, federal, or national government, including an agency or division thereof.

SECTION 2. Membership Certificates. Membership in the Cooperative may be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Said certificate may be in the form of a receipt or statement for membership fees, and the acceptance of same by the Member shall constitute agreement to the terms of the membership application and obligate the Member to the rights and liabilities recited thereon.

SECTION 3. Joint Membership. The term “member” as used in these Bylaws shall be deemed to include married persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect 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 (1) member and shall constitute a joint waiver of notice of the meeting;
- (b) the vote of either separately or both jointly shall constitute one (1) joint vote, and if they both vote but do not vote jointly, then the first vote received by the Cooperative binds the joint membership and constitutes the vote of the joint membership;
- (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) if only one votes on a matter; signs a petition, consent, waiver or other document; or otherwise acts, then the vote, signature, or action binds the joint membership and constitutes one vote, signature, or action;
- (f) expulsion of either shall terminate the joint membership;
- (g) withdrawal of either shall terminate the joint membership; and
- (h) either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications of such office.

SECTION 4. Conversion of Membership. (a) Upon the death of either spouse who is a party of the joint membership, such membership shall be held solely by the survivor or (b) upon the divorce of married persons who hold a joint membership, such membership shall be held solely by the former spouse who continues to receive electric service from the Cooperative at the location where both received service prior to the divorce. The outstanding membership certificate if one has been issued, shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; *provided, however,* that the estate of the deceased and of the former spouse who no longer is a member shall not be released from any debts due the cooperative.

SECTION 5. Membership Fee. The Cooperative may charge a membership fee, which shall be such amount as shall be determined from time to time by resolution of the Board.

SECTION 6. Purchase of Electric Energy and other Cooperative Services. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership and may purchase other Cooperative Services from the Cooperative, and shall pay thereof at rates which shall from time to time be fixed by the Board. Production or use of electric energy 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 fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy and other Cooperative Services in excess of the cost of service and reserves 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 regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of the Board, expel any member who fails to comply with any of the provisions of the Governing Documents, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased a Cooperative Service from the Cooperative, or of a member who has ceased to purchase a Cooperative Service from the Cooperative, may be cancelled by resolution of the Board.
- (b) Upon the withdrawal, death cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate, if one has been issued, of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of withdrawal of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee referred to in Section 5 above paid by him, provided, however, that the Cooperative shall deduct from the amount of such fee the amount of any debts or obligations owed by 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 accordance with the applicable provision of law.

SECTION 2. Membership Agreement.

- (a) A member shall: (i) comply with the Governing Documents; (ii) provide and maintain a current mailing address and telephone number with the Cooperative; and (iii) pay the Cooperative for the Cooperative's damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the member's failure to comply with the Governing Documents. If a member fails to comply with the Governing Documents, then, as provided in these Bylaws, the Cooperative may suspend or terminate the member. Regardless of whether money damages are available or adequate, the Cooperative may: (i) bring and maintain a legal action to enjoin the member from violating the Governing Documents; and (ii) bring and maintain a legal action to order the member to comply with the Governing Documents.
- (b) The Articles and these Bylaws are contracts between the Cooperative and a member. By becoming a member, the member acknowledges that: (i) every member is a vital and integral part of the Cooperative; (ii) the Cooperative's successful operation depends upon each member complying with the Governing Documents; and (iii) members are united in an interdependent relationship.
- (c) As requested by the Cooperative, a member shall indemnify the Cooperative for, and hold the Cooperative harmless from liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative Director, officer, employee, agent or representative ("Cooperative Official"), and caused by the member's negligence, gross negligence, or willful misconduct, or by the unsafe or defective conditions of a location receiving a Cooperative Service from the Cooperative pursuant to the membership.
- (d) No member is liable to any extent whatsoever for the Cooperative's acts, debts, liabilities or obligations because of membership in the Cooperative. A member may become liable to the Cooperative as provided in the Governing Documents or as otherwise agreed to by the Cooperative and the member.

SECTION 3. Provision of Cooperative Service. A member shall comply with any reasonable procedure required by the Cooperative regarding the Provision of a Cooperative Service. Based upon different costs of Providing a Cooperative Service to different groups of members, the Cooperative may charge each group a different rate or price for Providing the Cooperative Service.

- (a) Interruption of Cooperative Service. The Cooperative shall Provide Cooperative Services to members in a reasonable manner. The Cooperative, however, does not insure, guarantee, or warrant that it will provide adequate, continuous, or non-fluctuating electric energy or other Cooperative Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by the Cooperative Providing inadequate, non-continuous, or fluctuating electric energy or other Cooperative Service, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct. The Cooperative's responsibility and liability for Providing a Cooperative Service terminate upon delivery of the Cooperative Service to a member. In case of emergency, or as requested by government or emergency officials or representative, the Cooperative may interrupt the Provision of Cooperative Services to members.

- (b) Safe and Protected Operation of Cooperative. A member shall take or omit any act required by the Cooperative to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service, which act involves: (i) a location occupied by the member and to or for which the Cooperative Provides or will Provide a Cooperative Service; (ii) real or personal property in which the member possesses a legal or equitable right or interest (“Member Property”); (iii) a product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative (“Cooperative Equipment”); (iv) a product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by an applicant or member which is located on property, owned, controlled, operated or furnished by an applicant or member (“Member Equipment”) and which is connected to Cooperative Equipment. A member shall (i) protect Cooperative Equipment and Member Equipment connected to Cooperative Equipment; and (ii) install and maintain any protective device, and implement and follow any protective device, and implement and follow any protective procedure, required by the Cooperative. As necessary to safely, reliably, and efficiently operate the Cooperative and Provide a Cooperative Service, the Cooperative may temporarily suspect or terminate Provision of a Cooperative Service. A member shall not tamper with, alter, interfere with, damage, or impair Cooperative Equipment. Except as otherwise provided by the Board, the Cooperative owns all Cooperative Equipment.
- (c) Member Equipment Connected to Cooperative Equipment. Except as otherwise provided by the Board, before Member Equipment is connected to Cooperative Equipment, the Cooperative must approve the connection in writing. Before and while Member Equipment is connected to Cooperative Equipment, the member:
- (i) shall comply with, and shall ensure that the Member Equipment, the connection, and any act or omission regarding the Member Equipment and the connection comply with the Governing Documents, including terms, conditions, requirements, and procedures required by the Cooperative regarding the Member Equipment and the connection;
 - (ii) shall ensure that the Member Equipment and the connection do not adversely impact the Cooperative’s ability to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service;
 - (iii) grants the Cooperative the right to inspect the Member Equipment and the connection to determine whether the Member Equipment and connection comply with the Governing Documents; and
 - (iv) grants the Cooperative the right to disconnect or temporarily operate Member Equipment that does not comply with the Governing Documents or that adversely impacts the Cooperative’s ability to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service.

If Member Equipment is connected to Cooperative Equipment, then: (i) the member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the Member Equipment; (ii) the Cooperative is not liable for damage to, or for the performance of, the Member Equipment; (iii) the Cooperative is not liable for damage to Member Property; (iv) the member is responsible for knowing the concerns, risks, and issues associated with operating the Member Equipment and connecting the Member Equipment to Cooperative Equipment; (v) the member is liable for damage to, and for the nonperformance of, the Cooperative Equipment caused by the Member Equipment or the connection; and (vi) the member is liable for, and must indemnify the Cooperative against, injury or death to any Person and damage to any property caused by, or resulting from, the Member Equipment or the connection.

- (d) Suspension or Termination of Cooperative Service. Subject to complying with any applicable rules of the Arkansas Public Service Commission regarding suspension or termination of service, the Cooperative may suspend or terminate the Provision of a Cooperative Service to the member for any of the following reasons:

1. As provided for in the Articles of Incorporation or these Bylaws;
2. As required or permitted by law, including without limitation, the Rules of the Arkansas Public Service Commission;
3. For good cause determined by the Board; or
4. If the member:
 - (a) Fails to timely pay any amounts due the Cooperative;
 - (b) Fails to timely complete the membership procedure described in Article I;
 - (c) Fails to timely comply with the Governing Documents;
 - (d) For six (6) consecutive months does not use any Cooperative Service;
 - (e) Dies, legally dissolves or legally ceases to exist;
 - (f) Tampers with, alters, interferes with, damages or impairs any Cooperative Equipment; or
 - (g) Voluntarily requests suspension or termination.]

SECTION 4. Grant of Property Rights. As required by the Cooperative for a Cooperative Purpose, a Member shall: (i) provide the Cooperative safe and reliable access to or use of Member Property; and (ii) pursuant to terms and conditions specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written or oral easement, right-of-way, license, or other right or interest in Member Property, and execute a document regarding this grant or conveyance.

A “Cooperative Purpose” is at any time, and in a manner determined by the Cooperative: (i) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative Equipment or Member Equipment connected to Cooperative Equipment; (ii) clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation; (iii) Providing a Cooperative Service to a member or one or more other members; (iv) monitoring, measuring, or maintaining a Cooperative Service Provided to a member or one or more other members; (v) Providing electric energy to a Person or one or more other Persons; (vi) monitoring, measuring, or maintaining electric energy Provided to a Person or one or more other Persons; (vii) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative Equipment; or (viii) safely, reliably, and efficiently operating the Cooperative or Providing a Cooperative Service.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held during the months of June, July, or August of each year at such place within a county served by the Cooperative as determined by the Board and which shall be designated in the notice of the meeting, for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board 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, or upon a written request signed by any three (3) Board members, by the President, or by ten per centum (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as determined by the Board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meetings.

- (a) 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 thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty of the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon 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.
- (b) Sixty (60) days notice shall be required only in those cases falling within the provisions of Article XII, Section 8, of the Constitution of the State of Arkansas and such other provisions of law under which said notice may now, or at any time hereafter, be required.

SECTION 4. Quorum. One thousand (1,000) of the members, voting on any matter by mail, shall constitute a quorum for the transaction of business at all meeting of the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

SECTION 5. Voting.

- (a) Each member shall be entitled to only one (1) vote upon each matter submitted to a vote of the members in good standing. A member is not in good standing if, pursuant to the provisions of Article I, Section 7, the membership is suspended, terminated or cancelled. All matters which are necessary to be voted on by the membership shall only be by mail as herein provided.
- (b) The Secretary shall be responsible for the enclosure with the notice of such meeting of an exact copy of all motions or resolutions to be acted upon and ballots for the election of directors and each member shall express his vote thereon by marking the ballot in the space provided therefore opposite each such motion or resolution, or candidate. Such member shall enclose his/her/its ballot so marked in a sealed previously addressed envelope bearing such member's name, and to be use for the return thereof.
- (c) The Secretary shall deposit all ballots so received by him/her in a place of safe-keeping. Each nominee for the office of director shall be entitled to select a member of a counting committee which shall start counting of the said ballots on the day fixed by the board for the meeting of members. The committee may select two (2) or more clerks to assist in the counting and tabulation of the mailed ballots. The results shall be reported by the committee to the annual meeting of members.

- (d) When such written vote is received by the Secretary, it shall be counted as the vote of the member at such meeting and such members shall be counted in arriving at a total in determining a quorum referred to elsewhere in these Bylaws. The failure of a member to receive a copy of any such motion, resolution or other matter, or the ballot, shall not invalidate any action which may be taken by the members at any such meeting.
- (e) Member Proposals. No motion or resolution shall be voted upon at any meeting except in the manner provided in subsection (a) of this Section 5. Any member who desires to submit a proposal to the meeting shall submit a copy thereof to the Secretary at least thirty (30) days prior to the meeting, and the Secretary shall place such proposal on the ballot together with other matters to be voted upon. The Board shall establish procedures by which both proponents and opponents shall be able to submit to the members a short statement of reasons for or against a proposal along with the other election information.
- (f) Record Date.
 - (i) "Record Date" is the date for determining the total membership and the members entitled to: (i) receive a ballot, notice of a member meeting, or similar document; or (ii) vote or otherwise act at the member meeting. If a member is suspended or terminated after the Record Date, then the member may not sign a document, receive a document, or vote or otherwise act.
 - (ii) The Board may fix the Record Date, but the Record Date must not be more than seventy (70) days before the date of a member meeting. If the Board does not fix a Record Date, the Record Date shall be seventy (70) days before the meeting of the members. The Record Date for determining the total membership and the members entitled to notice of, or to vote at, a members' meeting is effective for a members' meeting adjourned to a date not more than one hundred twenty (120) days after the original member meeting date.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meeting of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

1. Report on the number of members voting by mail 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 and committees.
5. Election of Board members.
6. Unfinished business
7. New business.
8. Adjournment

ARTICLE IV BOARD MEMBERS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by the Board, which shall consist of nine (9) members which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office. The service area of the Cooperative shall be divided into districts as follows:

- District 1 – Corporation limits of the City of Star City
- District 2 – That portion of Lincoln County being served by the Cooperative and lying outside of the boundaries of the City of Star City
- District 3 – That portion of Cleveland and Dallas Counties served by the Cooperative
- District 4 – That portion of Bradley County service by the Cooperative
- District 5 – That portion of Drew County served by the Cooperative
- District 6 – That portion of Desha County served by the Cooperative
- District 7 – That portion of Jefferson County served by the Cooperative
- District 8 – That portion of Grant County served by the Cooperative

There shall be one director each from District 1, 2, 4, 5, 6, 7 and 8 and two directors from District 3.

The directors who are serving at the time of the adoption of these Amended and Restated Bylaws shall continue to serve for the remainder of the five (5) year term for which they were most recently elected and qualified. At each annual members' meeting following the adoption of the Amended and Restated Bylaws, the members shall elect directors whose terms have expired, for a period of five (5) years each or until their successors shall have been elected and shall have qualified. If an election of directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter.

Directors elected by the members to fill vacancies shall be elected to serve the unexpired portion of the terms applicable to the district and position of directors so elected. Directors may be elected by a plurality vote of the members voting in the election. Nothing contained herein shall disqualify any director hereafter duly elected from completing his/her term because of the changes of the boundaries of a service area if he otherwise meets the qualifications of a valid director. However, a vacancy shall be created if a director moves his/her primary residence from the district of the service area from which the director was elected.

SECTION 3. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) is not a member in good standing, a bona fide resident of, and physically occupying his/her primary residence within the district of the service area of the Cooperative from which he/she shall have been or shall be elected during the six (6) consecutive months prior to the election;
- (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;
- (c) is a current employee, or is a former employee of the Cooperative whose employment with the Cooperative terminated within six (6) years of the date for determining eligibility to become a Board member, or the spouse or child of such current or former employee;
- (d) is a second-degree or closer relative of an incumbent director of the Cooperative, unless the incumbent director's term will expire prior to the person becoming a Board member; or

- (e) in the case of an incumbent director, shall have failed to attend at least seven (7) regular or special meetings of the Board during a period of twelve (12) consecutive months without extenuating circumstances.

In addition, to be eligible to become or remain a director, an individual must:

- (f) through words and actions and by virtue of temperate demeanor and character, promote the best interests of the Cooperative and its members;
- (g) be committed to learning and have time to learn about the Cooperative and issues affecting the electric industry and electric cooperatives and be willing and able to devote significant time necessary to become a meaningful contributor on behalf of all members served by the Cooperative; and
- (h) possess and place a high value on personal and corporate integrity and ethical behavior.

Upon establishment of the fact that a nominee or prospective nominee for director lacks eligibility under this section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board, as early as possible but not later than the meeting at which such nominee would otherwise be voted upon, to disqualify such nominee or prospective nominee. Upon the establishment of the fact that a director or any person being considered to fill an unexpired term as director lacks eligibility under this section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board to cause such director to be removed therefrom or to withhold such position from such person, as the case may be. Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board, unless such action is taken with respect to a matter which is affected by the provisions of this section and in which one or more of the directors have an interest adverse to that of the Cooperative.

SECTION 4. Nominations. Nominations for directors shall be made by petition only. There shall be no nominations from the floor. Such petitions must be in writing, must bear the signatures of at least fifteen (15) members and must be filed with the Secretary or delivered to the principal office of the Cooperative not less than thirty (30) days prior to the annual meeting of members, or any special meeting of the members for the purpose of electing directors. In the event a vacancy occurs within sixty (60) days of the annual meeting of members, the Board may shorten the period for receiving nominations and make special provision for the election of a person to fill such vacancy at the forthcoming annual meeting of members. Notice of the final date for filing of petitions nominating candidates for directors may be published in the *Arkansas Living* (or successor) magazine at least one (1) time or as may be determined by the Board. If more than one nomination is received for a position, the names of the nominees shall appear on the ballot in the order in which they were received.

SECTION 5. Removal of Directors by Members. At a special meeting of members called expressly for that purpose, directors may be removed in the manner provided in this section.

The entire Board or any one or more of the directors may be removed with or without cause, by a vote of a majority of the members then entitled to vote at an election of directors. The proposal for the removal of any director sought to be removed shall be submitted to a vote of the members by mail ballot as provided in Article III, Section 5(a) of these bylaws.

Vacancies caused by the removal of a director or directors pursuant to this Section 5 shall be filled at a special election conducted as provided in this Article IV, except that petitions for nominations under Section 4 of this article shall be filed not less than fifteen (15) days prior to the date of the special election.

SECTION 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of board members by the members, a vacancy occurring in the board may be filled by the affirmative vote of a majority of the remaining board members, and such director so elected shall serve until the next meeting of members, whether annual or special, at which directors are to be elected, or until his successor shall be elected and qualify.

SECTION 7. Compensation. Directors as such shall not receive any salary for their services, but 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, or such other meetings authorized by the Board. If authorized by the Board, directors may also be reimbursed for expenses actually and necessarily incurred in attending such meetings or granted a reasonable per diem allowance by the Cooperative in lieu of detailed accounting for some of these expenses. Except in emergencies, no director shall receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members. The Board may also authorize the payment of the premiums on coverage for members of the Board in insurance programs.

SECTION 8. Committees. Standing or temporary committees may be appointed from time to time by resolution or resolutions passed by a majority of the Board, and the Board may from time to time invest such committees with such power as it may see fit, subject to such conditions as may be prescribed by the Board and subject to the Articles of Incorporation, these Bylaws and applicable statutes. Pursuant to Section 7 of Article IV of these Bylaws, a member of any duly appointed committee shall be paid such fixed sum and expenses incurred by such member, if any, in attending any regularly called meeting of such committee or in carrying out the business of such committee as may be authorized by the Board.

ARTICLE V MEETINGS OF BOARD

SECTION 1. Regular Meetings. A regular meeting of the board 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 shall also be held monthly at such time and place within one (1) of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. Special Meetings. Special meetings of the board may be called by the President or by any three (3) Board members, 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 board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Board Meetings. Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each board member 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 Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

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

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the board at the meeting of the board 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 following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the Cooperative will be served.

SECTION 4. Chairman. The Chairman shall:

- (a) unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the board from time to time.

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

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

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the Corporate Seal of the Cooperative and affixing the Corporate Seal of the Cooperative to any certificates of membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its Corporate Seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) signing, with the Chairman, certificates of memberships, the issue of which shall have been authorized by the Board or the members;
- (f) keeping on file at the office of the Cooperative at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative, containing all amendments thereto (which copy shall always be open to the inspection of any member) and, at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

- (g) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

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

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all 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 the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 8. Manager. The board 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 may from time to time vest in him.

SECTION 9. Bond of Officers. The Treasurer and any other officer or agent of the Cooperative charged with the responsibility for the custody of any of its funds or property shall be bonded in such sum and with such 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. 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 Cooperative Services. In the furnishing of Cooperative Services the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, except under special conditions, 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, except under special conditions, for all amounts received and receivable from the furnishing of Cooperative Services in excess of operating costs and expenses. For the purpose of these Bylaws, the term "expenses" includes such reserves as the Board deems necessary or appropriate properly chargeable against the furnishing of Cooperative 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 patrons, members and non-members alike, except under special conditions, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron, all such amounts in excess of operating cost and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital credit 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 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 of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be used to offset any losses incurred during the current or any prior fiscal year.

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 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. After September 17, 2019, and thereafter, the Board shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital. Such method, basis, priority and order of retirement, if any, considered by the Board may include the retirement of amounts furnished as capital at a discount.

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

Notwithstanding any other provision of these bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions 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 will not be impaired thereby.

The patrons of the cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Governing Documents 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.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, lease or otherwise dispose of, all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; however, after such vote, no sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative's assets to any other entity shall be accomplished except in conformity with the following:

(a) The Board shall first cause three (3) independent 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 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 Judge for the Judicial District in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board.

(b) If the Board, after receiving such appraisals, and other terms and conditions which are recommended, if any, shall first give every other electric membership cooperative corporately sited and operating in the state (which has not made such an offer for such sale, lease, lease-sale, exchange or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership cooperative corporations, which notice shall be attached to a copy of the proposal which the Cooperative has already received and a copy of the report(s) of the three (3) appraisers. Such electric membership cooperative corporations 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.

(c) The Board shall then notify the members of the initial or any subsequent proposal which has been submitted to it, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members; provided, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.

(d) 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.

The foregoing provisions shall not apply to a sale, lease, lease-sale, exchange or other disposition to one or more other electric membership cooperative corporations corporately sited and operating in the state if the substantive effect thereof is to merge or consolidate with such other one or more electric membership cooperative corporations, in which event an affirmative vote of a majority of those members present at any special or annual meeting shall be required; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative.

ARTICLE IX SEAL

The Corporate Seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Arkansas."

ARTICLE X
FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these Bylaws, the Board 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 and/or countersigned 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.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

SECTION 4. 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. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the Board at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may upon the authorization of the Board, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of electrification or of any other corporation for the purpose of acquiring electric facilities.

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

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

SECTION 4. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service 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 summary of the report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements, including, without limitation, the payment of costs and expenses, established by the Cooperative as a condition of such service.

SECTION 6. Indemnification.

- (a) The Cooperative shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Cooperative, by reason of the fact that he is or was a director, officer, employee or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, expenses, including attorneys' fees, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- (b) The Cooperative shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Cooperative to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Cooperative, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Cooperative unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.
- (c) To the extent that a director, officer, employee or agent of the Cooperative has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.
- (d) Any indemnification under subsections (a) and (b) of this section, unless ordered by a court, shall be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b) of this section. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (3) by the members.
- (e) Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Cooperative as authorized in this section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.
- (f) The indemnification and advancement of expenses provided by or granted pursuant to the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.
- (g) The Cooperative shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative. or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Cooperative would have the power to indemnify him or her against such liability under the provisions of this section.
- (h) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall continue as to a person who had ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

- (i) For purposes of this section, references to “the Cooperative” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.
- (j) For purposes of this section, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Cooperative” shall include any service as a director, officer, employee or agent of the Cooperative which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Cooperative” as referred to in this section.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed by the Board, at any regular or special meeting, by the affirmative vote of not less than two-thirds (2/3) of all of the directors, provided the notice of such meeting shall contain a copy of the proposed alteration, amendment or repeal.