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**BYLAWS
OF
STEBEN COUNTY
REMC**

MISSION STATEMENT

Steuben County REMC provides superior service and community involvement through the use of innovative ideas and equipment, a talented, dedicated workforce, and sound cooperative principles.

PREAMBLE

The aim of the Steuben County Rural Electric Membership Corporation (hereinafter the "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound and good management.

**ARTICLE I
Membership**

Section 1. Conditions of Membership

1.01. PURPOSE. The corporate purpose of this Cooperative shall be to render service to its members only. No person shall become or remain a member of the Cooperative unless such person shall purchase electric energy supplied by the Cooperative and shall have complied with the terms and conditions in respect to membership contained in these Bylaws.

1.02. QUALIFICATION. Any person, association, corporation, limited liability company, trust or body politic may become a member in the Cooperative by:

- a. Filing a written application for membership therein;
- b. Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- c. Paying the membership fee, as hereinafter specified;
- d. Agreeing to comply with and be bound by the Articles of Incorporation and the Bylaws of the Cooperative and such Rules and Regulations as may be adopted from time to time by the Board of Directors; and,
- e. Payment of any deposits for service as provided for and calculated by the Board of Directors. However, the Cooperative shall not provide service to any former member who shall be currently indebted to the Cooperative for previous service or other charges unless payment for such indebtedness is agreed upon in a manner acceptable to the Cooperative.
- f. No person shall have more than one membership.

Section 2. Application for membership

2.01. FILING. Any person seeking to become a member must complete within a reasonable time of using, receiving or purchasing Cooperative services a complete written application, which contains:

- a. An agreement that electric energy will be purchased from the Cooperative at a service connection, the location of which shall be designated in the application for membership;
- b. An agreement that the applicant will comply with and be bound by the Articles of Incorporation of the Cooperative, the Bylaws of the Cooperative, and such Rules and Regulations as may be adopted from time to time by the Board of Directors (or any amendments to each); and,
- c. An agreement that the applicant will make payment of such other fees incidental to providing electric energy as set forth in the rate schedules and approved by the Board of Directors of the Cooperative

2.02. FEES TO ACCOMPANY MEMBERSHIP APPLICATION. Any such fees as designated herein in respect to membership in the Cooperative shall accompany the application

for membership, unless it shall have theretofore been paid.

Section 3. Purchase of Electric Energy

3.01. PAY MONTHLY. Each member shall, as soon as electric energy is made available, purchase from the Cooperative all electric energy used on the premises specified in his or her application for membership. Thereafter, the member shall pay for such use monthly at rates, which shall from time to time be fixed by the Board of Directors. Also, each member shall pay to the Cooperative a 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 to the Cooperative as and when the same shall become due and payable.

3.02. CAPITAL CREDITS. Any amount paid for electric energy in excess of the cost of service as furnished to the members is capital. Each member shall be credited with the capital so furnished as provided in these Bylaws.

Section 4. Membership Fees

4.01. AMOUNT. The membership fee shall be \$25.00 to all members. Such fee shall accompany each application for membership in the Cooperative.

4.02. TRANSFER OF MEMBERSHIP. All membership fees that have been previously transferred to another member or successor in occupancy or ownership of the property or premises occupied or owned by such new occupant or owner, shall be vested in that member, and shall be transferable from or refunded to the same in accordance with the provisions of the Bylaws.

4.03. APPLICATION TOWARDS DEBT. The membership fee may be applied without notice to the member's account for payment of services, and the balance of the membership fee shall be refunded to the member upon the member disconnecting his service.

Section 5. Term of membership

Membership in the Cooperative, with all rights, privileges, and liabilities thereto shall continue as long as the member purchases electric energy from the service connection designated in the application for membership AND complies with the terms and conditions in respect to membership contained in the Articles of Incorporation of the Cooperative, the Bylaws of the Cooperative, and such rules and regulations as may be adopted from time to time by the Board of Directors (or any amendments to each).

Section 6. Joint membership

As provided in this Bylaw, a husband and wife principally residing at the same location may apply for joint membership in the Cooperative.

a. CREATING JOINT MEMBERSHIP. By jointly signing and executing a membership application and by jointly completing the membership procedure, a husband and wife principally residing at the same location may apply for joint membership. By written request, and by jointly executing a new membership application, any member may apply to convert the member's individual membership to a joint membership with the member's spouse principally residing at the same location as the member.

b. TERMINATION OF JOINT MEMBERSHIP. Upon a death or divorce between joint members:

1. If one joint member continues to legally use, receive, or purchase a Cooperative service at the same location, then the joint membership converts to a membership in the name of the joint member continuing to legally use, receive, or purchase a Cooperative service at the same location.

2. If both joint members continue to legally use, receive or purchase a Cooperative service at the same location then the joint membership converts to a membership as determined by court decree, or if none, then as determined by the Cooperative.

Section 7. Termination of Membership

A membership terminates upon the occurrence of any of the following events.

- a. Cessation of the purchase of electrical energy from the Cooperative;

- b. Death of the member;
- c. Determining that the member has tampered or interfered with, damaged or impaired any product, equipment, structure, or facility furnished or used by the Cooperative to provide, monitor, measure, or maintain any Cooperative service;
- d. Discover the unsafe condition of any Cooperative equipment;
- e. Discover any imminent hazard or damage posed by any Cooperative equipment; or
- f. Withdrawal from membership upon uniform terms and conditions as the Board of Directors may prescribe.

ARTICLE II Rights of Members

Section 8. Property Interest of Members

8.01. NO INDIVIDUAL INTEREST. Members shall not have an individual or separate interest in the property or assets of the Cooperative except that every member shall be eligible to any patronage distribution which may be declared by the Board of Directors in accordance with these Bylaws, and which is distributed among members in proportion to their patronage during the fiscal year in which such revenue and receipts were received. Any such distribution shall first be however applied to the member's indebtedness to the Cooperative, if any.

8.02. DISTRIBUTION UPON DISSOLUTION. Upon dissolution of the Cooperative, the property and assets remaining after the payments of all debts and liabilities of the Cooperative and after the payment of all capital furnished by members' patronage shall be distributed in accordance with applicable provisions of state law.

8.03. REDUCTION IN COOPERATIVE SERVICES.

As required or allowed by Law and as determined by the Board:

- a. If a member substantially reduces or ceases the member's use, receipt or purchase of Cooperative services, either singly or in combination; then
- b. The Cooperative may charge the member, and the member shall pay the Cooperative, the reasonable costs and expenses incurred by the Cooperative in relying upon the member's pre-reduction or preceasing use, receipt, or purchase of Cooperative services.

Section 9. Personal Property Rights

9.01. NON-LIABILITY FOR DEBTS. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative. No member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

9.02. MEMBER GRANT OF PROPERTY RIGHTS.

As determined or required by the Cooperative, each member shall:

- a. Provide the Cooperative temporary, or permanent, safe and reliable access to, and use of, any portion of; and
- b. Upon request from, and without charge to, the Cooperative, grant and convey, and execute any document reasonably requested by the Cooperative to grant and convey, to the Cooperative written or oral easement, right-of-way, license, or other property interest in any real or personal property in which the member possesses any legal right which is reasonably necessary to;
 - 1. Purchase, install, construct, inspect, monitor, operate, repair, maintain, remove, or relocate any Cooperative equipment;
 - 2. Provide, monitor, measure, or maintain any Cooperative service.
 - 3. Satisfy or facilitate any obligation incurred, or right granted, by the Cooperative regarding the use of the Cooperative equipment; or
 - 4. Safely, reliably, and efficiently operate the Cooperative or provide any Cooperative service.

No member shall tamper or interfere with, damage or impair any Cooperative equipment. Unless otherwise determined by the Board, the Cooperative owns all Cooperative equipment.

Section 10. Voting Rights

Each membership shall entitle its holder to one vote and no more, upon each matter submitted to the membership for approval. If a joint membership is held, then such membership shall entitle its holders to only one vote upon each matter submitted for a vote. Joint members shall cast one vote as a unit and may not cast a fractional vote.

ARTICLE III Meetings of Members

Section 11. Annual Meeting

11.01. TIME AND PLACE. The annual meeting of the members shall be held annually during the month of March or thereafter as designated by the Board of Directors. The meeting shall be at such place and time as is reasonable, but within the territory of the Cooperative, or within Steuben County, Indiana. A notice shall be presented to the members informing them of the time and place of the annual meeting of the members, and such shall state the general purpose of the meeting, including election of directors, passing upon reports from the previous fiscal year, or other lawful business. The meeting may not be held on a Sunday or legal holiday.

11.02. NON-FORFEITURE. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 12. Special Meetings

12.01. METHOD OF CALLING MEETING. Special meetings of the members may be called by the President, by resolution of the Board of Directors, upon written request signed by any three or more directors, or by ten percent (10%) or more of the members from each and every area served as defined in Section 15, Paragraph 15.02, of Article III.

12.02. NOTICE AND LOCATION. The Secretary shall cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the territory of the Cooperative or within Steuben County, Indiana, as may be designated by the Board of Directors, which place shall be specified in the notice of the special meeting.

Section 13. Notice of Members' Meetings

13.01. FORM. In the case of any meetings scheduled for the membership the member shall be given written or printed notice of the same. It shall state the place, day, and hour of the meeting and in case of a special meeting or an annual meeting at which the purpose or purposes for which the meeting is called. Such notice shall be delivered not less than ten (10) days or 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 by Secretary, by the person calling the meeting).

13.02. CONSTRUCTIVE NOTICE. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting.

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

Section 14. Conduct of Meetings

14.01. QUORUM. At least one-fiftieth (1/50) of the total number of members of the Cooperative present in person shall constitute a quorum for the transaction of business at all meetings of the members; provided, if less than one-fiftieth (1/50) of the total number of members are present at said meeting, a majority of the members so present may adjourn the meeting from time to time without further notice. In such event, the Secretary shall notify any absent members of the time and place of such adjourned meeting.

14.02. VOTING. A majority vote of those members who are present and voting at any regular meeting, or any special meetings of the members called for that purpose, shall be necessary for the taking of any action, adoption of any resolution, or the election of any Directors, except as otherwise specifically provided by applicable law, the Articles of Incorporation, or these Bylaws. Nevertheless, if more than two (2) persons are running for election as a Director from the same district or area, then the person receiving the most votes shall be elected.

14.03. ORDER OF BUSINESS. The Board of Directors shall determine the agenda and order of business for all member meetings.

14.04. RULES OF ORDER. Except for the order of business as hereinabove provided in Section 14.03 of this article, all questions of parliamentary procedure coming before any meeting of the members shall be governed and resolved according to Roberts Rules of Order as interpreted by General Counsel of the Cooperative. However, the use of such rules shall not be jurisdictional for action on the part of the Directors at such meeting.

14.05. ELECTION COMMITTEE. An election committee nominated and appointed by the Board of Directors shall be responsible for conducting the election, including tabulation of ballots, administering tiebreakers, qualifications of nominees, and ruling on disputed or questionable ballots. All decisions of the election committee shall be final and be determined by majority vote.

14.06. VOTING UPON MATTERS. Unless at least one-third (1/3) of the Members entitled to vote on a matter are present at an Annual Meeting or Special Member Meeting in person, Members may only vote upon matters described in the notice of the Annual Meeting or Special Member Meeting, unless otherwise provided for in these Bylaws.

14.07. RECORD DATE. The record date for determining the total membership and those members entitled to vote at an annual meeting or special meeting of the members shall be the close of business on the thirtieth (30th) day prior to the date of the annual or special meeting. In the case of a member demand for a special meeting, Section 12.01, or removal of a Director, Section 19, the record date for determining those members entitled to sign the member demand is the close of the business day on the thirtieth (30th) day prior to the Cooperative's receipt of the member demand.

14.08. PROXY. At all membership meetings, a spouse who resides at the location where the membership is held may vote as the proxy and such, this participation will count towards any quorum requirement for said meeting. If both the member and spouse attend, the requirement of one membership one vote will still apply and the registered member will serve as the voting participant.

ARTICLE IV Directors

Section 15. General Description

15.01. NUMBER AND POWERS. The business and affairs of the Cooperative shall be managed by a Board of nine (9) Directors which shall exercise all the powers of the Cooperative except such as are by law, or by the Articles of Incorporation or by these Bylaws, conferred upon or reserved to the members.

15.02. ELECTION DISTRICTS. The area of service of the Cooperative (hereinafter called the "territory") shall be divided into nine (9) districts. Those districts shall be numbered one (1) through nine (9). The area of representation and boundaries for such districts shall be as follows:

DISTRICT 1 – Greenfield Township, in LaGrange County, Indiana
Millgrove Township in Steuben County, Indiana

DISTRICT 2 – Jamestown Township in Steuben County, Indiana

DISTRICT 3 – Fremont Township in Steuben County, Indiana
Clear Lake Township in Steuben County, Indiana

DISTRICT 4 – Jackson Township in Steuben County, Indiana

DISTRICT 5 – Pleasant Township in Steuben County, Indiana

DISTRICT 6 – Scott Township in Steuben County, Indiana
York Township in Steuben County, Indiana

DISTRICT 7 – Salem Township in Steuben County, Indiana

DISTRICT 8 – Steuben Township in Steuben County, Indiana

Smithfield Township in DeKalb County, Indiana
Grant Township in DeKalb County, Indiana
DISTRICT 9 -- Otsego Township in Steuben County, Indiana
Richland Township in Steuben County, Indiana
Franklin Township in DeKalb County, Indiana
A Director shall be elected from each district as defined in Section 16 below.

Section 16. Election and Tenure

At the annual meeting of the members to be held in 1988, Directors shall be elected from the district areas designated as 8, 5, and 4 by secret ballot by the members present to serve for a period of three (3) years, or until their successors have been duly elected and qualified. The Directors from the areas designated 3, 6, and 7 shall be elected in the following year, and Directors from the areas designated 1, 2, and 9 shall be elected in the third year, for terms of three (3) years each or until their successors have been duly elected and qualified. Thereafter, the same three-year rotation of the election of Directors by districts shall be repeated.

16.01. TIE VOTE. In the event that, as a result of a vote taken in accordance with these Bylaws, a vote results in an even number of votes for any director's position (a "tie vote"), those candidates that receive such tie vote shall present themselves at the annual meeting wherein the vote resulted. Before those members present, an American coin of not less than \$.25 cents in value, shall be tossed into the air, and shall be allowed to land on the ground or floor. Such coin toss shall be made by the chairman of the duly appointed election committee. Should the toss show heads, the incumbent director shall be elected; and if it shows tails, the challenger shall be elected. In the event that neither candidate is an incumbent, the candidate whose name first falls alphabetically shall be elected if heads shows, and that whose name falls last alphabetically shall be elected if tails shows. Should more than two (2) candidates tie, a coin shall be tossed for each, and the first set of tosses that results in an "odd" man shall cause the election of the candidate receiving the result different from all others ("odd man in").

Section 17. Qualification

17.01. DISQUALIFICATIONS. (Amended May 2013) No person shall be eligible to become or remain a Director of the Cooperative who:

- a. Is not a member and bona fide and permanent resident of the district from which he is nominated, however, a member which is a corporation, partnership, municipality, or other similar entity may nominate a representative for the office of Director which nomination may be revoked only upon expiration of that Director's term. The person so nominated must likewise be a bona fide and permanent resident of the district from which he or she is nominated.
- b. Is in any way employed by or financially interested in a competing enterprise, a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
- c. Has violated the Cooperative's sexual harassment policy, code of conduct, or other policies applying to the conduct of directors.
- d. Has committed a criminal act in which the Cooperative or any of its employees or directors is a victim.

Upon establishment of the fact that a Director is holding the office in violation of any of the foregoing provisions, the Board of Directors, by at least a two-thirds majority vote of all Directors holding office, shall remove such Board member from office.

In addition to the other requirements for eligibility set forth herein, commencing with the Director election in 2012 and thereafter, any Director elected to the Board of Directors who has not previously served as a Director of the Cooperative shall obtain the status of Credentialed Cooperative Director (CCD) through the educational program sponsored by the National Rural Electric Cooperative Association (NRECA) or any similar successor educational program approved by the Steuben County REMC Board of Directors, before the end of such Director's first three-year term. A Director failing to acquire such certification shall be ineligible for re-election to the Board of Directors, unless due to the occurrence of an exigent circumstance beyond the

control of such Director, he or she shall have failed to complete the course of study necessary to obtain the certification, but has no more than one (1) course remaining to attain certification. In such case, the Director shall complete the certification requirement within the first year of his or her second term as a Director. In the event a Director shall fail to obtain the certification within the first year of the second term, the Director shall be ineligible to continue serving as a Director, and the Board of Directors shall declare such Director district vacant. In such case the vacancy shall be filled as provided in the Bylaws for the remainder of the term of the Director who was removed, and the Director elected to fill the vacancy shall have three (3) years during which to obtain the certification under the same terms and conditions as set forth above.

17.02. NONDISQUALIFYING FACTORS. A Director's election to the Board of Directors of the Indiana Statewide Association of REMCs, Inc. or to Wabash Valley Power Association, Inc. does not make such Director ineligible to serve on the Board of Directors of the Cooperative, and does not constitute any conflict of interest.

17.03. JOINT MEMBERSHIP. When a membership is held jointly by a husband and wife, only one may be elected as a Director. Nevertheless, neither spouse shall be eligible to become or remain a Director unless both shall meet the other qualifications set forth within this section.

17.04. NO EFFECT ON BOARD. 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 18. Nominations (Amended April 2004)

18.01. MEMBERSHIP NOMINATIONS. Any fifteen (15) or more members may make nominations in writing over their signatures, at any time not less than forty-five (45) days prior to the meeting. The Secretary shall post the same at the principle office of the Cooperative once the petition is reviewed and deemed accurate.

18.02. DUTY OF SECRETARY. The Secretary shall mail to each member at least ten (10) days before the meeting a statement of the number of Directors to be elected and showing separately the nominations made by petitions.

18.03. ELECTION COMMITTEE. At a reasonable time before the scheduled meeting of the Membership, the Board of Directors shall appoint a committee, for the purpose of conducting elections at the annual meeting, of not less than five (5) and not more than eleven (11) members. Members of said committee shall be selected so as to give equitable representation in the committee to the geographic areas to be served by the Cooperative. No officer or Board of Director shall be appointed a member of such committee. All decisions of the election committee regarding conduct and outcome of elections are final. Each candidate may also have one observer present while the election committee counts and certifies the election.

Section 19. Removal of Directors or Officers by Members (Amended May 2013)

19.01. IMPEACHMENT. Any member may bring charges against a Director by filing with the Secretary, charges in writing together with a petition requesting the formal removal of such Director and signed by at least ten percent (10%) of the members residing in each of the nine districts. Petition is insufficient if any district has less than ten percent (10%) of its members as signatories.

Upon the presentation with a petition meeting the above criteria, the Board of Directors shall determine whether an impeachment vote will be conducted at the next regularly scheduled annual meeting or whether circumstances warrant the calling of a special meeting at its discretion. If the petition is presented to the Board of Directors less than sixty (60) days prior to a regularly scheduled annual meeting then the Board may defer the impeachment vote until after that meeting.

At the meeting during which the impeachment vote is conducted, the Director, against whom any charges have been brought shall be informed of the same and given a copy of the petition no less than ten (10) days prior to the meeting. The Director shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence and the person or persons bringing the charges against him shall have the same opportunity.

Upon a majority of the vote in favor of the removal of the Director the vacancy created thereby shall be filled according to Section 20 below.

19.02. VOTE FOR REMOVAL. The removal shall be voted upon at the next regular or special meeting of the members. Any vacancy created by such removal will be filled pursuant to Section 20 below.

19.03. PROCESS OF REMOVAL. Any Director may request the removal of another director, for cause, by written charge which is signed, under oath, by such Director. The allegations of cause for removal of a Director shall be conduct, either by act or omission, which amounts to:

- a. gross negligence in the performance of the Director's duties;
- b. fraud;
- c. a felony or crime of dishonesty, as defined in Indiana statutes (whether convicted by a court of law or not);
- d. a violation of the fiduciary obligations imposed upon Directors by law;
- e. maliciously filing a charge for removal of a fellow Director, which charge has no merit;
- f. having three (3) Board meeting absences during a calendar year that have not been authorized by the Board or are not related to the Board members' health or the health of a Board members' immediate family;

Which conduct or omission adversely affects the business and affairs of the Cooperative, including its general reputation and standing in the community.

Such charge shall be delivered to the Chairperson of the Board, or the Vice Chairperson if the allegations pertain to the Chairperson. Such officers shall direct the matter to be included as an agenda item at the next regular meeting of the Board in the event such meeting date shall be more than ten (10) days following delivery of the charge, or at a special meeting of the Board to be held not less than seven (7) days or more than fifteen (15) days following the next regular meeting if the charge is delivered within ten (10) days of such regular meeting date.

At the meeting, the Board of Directors shall consider the evidence supporting the charge and any defense thereto made by the Director charged, or a representative of his or her choosing. Following the submission of such proof and any defense, the Board of Directors shall consider and vote on the removal of the Director so charged in an executive session. The Director charged shall be removed from the Board of Directors immediately upon the affirmative vote of a majority of the Directors voting on said issue.

Section 20. Vacancies

Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors. Directors thus elected shall serve out the unexpired term of the former incumbent until his or her successor shall have been elected and qualified. The rotation of the election of Directors, with respect to the numbers and terms thereof, shall be at all times maintained as set forth in Section 2, Article IV of the Bylaws or any amendment thereto.

Section 21. Compensation

Board members shall not receive any salary for their services as such, except that the Board of Directors of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members, except in the case of any emergency.

Section 22. Directors as Employees

No Director or any relative to the first degree of any Director, either by blood or marriage, shall become an employee of the Cooperative during the tenure of the Director's office or within six months thereafter, without prior consent and approval of the Board of Directors.

Section 23. Meetings of Directors

23.01. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without notice other than by these Bylaws, 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 Steuben County, Indiana, 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.

23.02. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or any three (3) directors. The Secretary shall cause notice of such meeting to be given as hereinafter provided. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in Steuben County, Indiana) for the holding of any special meeting of the Board of Directors called by them.

23.03. NOTICE. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least three (3) days previous thereto, by written notice, delivered personally or mailed, to each Director at his or her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

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

23.05. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time, and provided further that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting.

23.06. MANNER OF ACTING. The act of the majority of the Directors present at a meeting at which quorums are present shall be the act of the Board of Directors.

Section 24. Officers

24.01. OFFICES. The offices of the Cooperative shall be a President, Vice-President, Secretary, Treasurer and such other offices 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.

24.02. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each 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 duly elected, and shall have qualified.

24.03. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgement the best interest of the Cooperative will be served thereby.

24.04. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

24.05. PRESIDENT. The President:

- a. Shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- b. May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and,
- c. In general, shall perform all duties incidental to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

24.06. VICE-PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

24.07. SECRETARY. The Secretary shall:

- a. Keep the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;
- b. See that all notices are duly given in accordance with these Bylaws or as required by law;
- c. Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- d. Keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- e. Have general charge of the books of the Cooperative in which a record of the members is kept;
- f. Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member;
- g. In general, perform all duties incidental to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

24.08. TREASURER. (Amended August 2006) Except as otherwise provided by the Board or these Bylaws, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board.

24.09. CHIEF EXECUTIVE OFFICER. The Board of Directors may appoint a Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer shall perform such duties and shall exercise such authority as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

24.10. BONDS OF OFFICERS. The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount with such surety as it shall determine.

24.11. 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 powers and duties and with respect to compensation for Board members.

24.12. REPORTS. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative at the close of the previous fiscal year.

ARTICLE V Financial Transactions

Section 25. 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 26. Banking

26.01. CHECKS, DRAFTS, ETC. All checks, drafts or other order 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.

26.02. 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 select.

ARTICLE VI Disposition of Property

Section 27. 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; 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 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 VII Non-Profit Operation

Section 28. 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 29. Patronage Capital in Connection with Furnishing Electric Energy

29.01. CREDIT. In the furnishing of electric energy the Cooperative operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses at the same rate the patron contributed to the excess. 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. Such record shall be made available to such patron upon reasonable request. 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.

29.02. OFFSET LOSSES. All other amounts received by the Cooperative from its operations in excess of:

- a. used to offset any losses incurred during the current or any prior fiscal year; and
- b. to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

29.03. EVENT OF DISSOLUTION. 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 then credited to patrons accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

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

29.05. DEATH OF 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 patron, if the legal representatives of his or her estate shall require in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provision of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patrons' estate shall agree upon; provided however, that the financial condition of the Cooperative will not be impaired thereby.

29.06. ACKNOWLEDGMENT OF CONTRACT. 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 30. Patronage Capital in Connection with Power Supply Cooperatives (Amended April 2013)

Capital credits received from Wabash Valley Power Association, the power supplier for the Cooperative, shall be maintained in a separate capital credit account of the members of the Cooperative and shall be allocated to the accounts of the members of the Cooperative in the year in which the Cooperative receives written notice that Wabash Valley Power Association has allocated capital credits to the Cooperative. The separate capital credits received from Wabash Valley Power Association that are credited to the special capital credit accounts of the members of the Cooperative shall not be retired or distributed to the members until such time as capital credit has been actually distributed by Wabash Valley Power Association to the Cooperative, and until such time as the Board of Directors of the Cooperative, by appropriate resolution duly adopted and passed, authorizes the distribution of these special capital credits to the account of the members. Wabash Valley Power Association capital credits may be retired at the discretion of the board. No notice of the allocation of these special capital credits shall be given to the member, but the member's special capital credits account shall be available for the member's inspection.

Section 31. Unclaimed Funds of Members (Amended February 2017)

Notwithstanding any provisions herein contained to the contrary and pursuant to the statutes of the State of Indiana, the Cooperative shall recover any capital credits, patronage refunds, utility deposits, membership fees, account balances, or book equity which remain unclaimed for a period of not less than three (3) years following attempted payment by the Cooperative to the member or former member entitled thereto. Prior to recovery of such unclaimed funds, the Cooperative shall give public notice in a newspaper published in the county in which the Cooperative locates its general headquarters, or the Cooperative's monthly newsletter. This publication shall show the name of each member entitled to claim such funds, and that if not duly claimed at the office of the Cooperative within sixty (60) days of said notice, such funds shall be forfeited to the Cooperative and reallocated to a donated capital account for the distribution to the other members of the Cooperative. Thereafter, any such unclaimed funds shall be transferred to the general fund of the Cooperative as of the year in which the sixtieth (60th) day falls following publication of the above described notice. All unclaimed funds hereinabove shall be considered

an irrevocable assignment and gift to the Cooperative of such funds by the member formerly entitled thereto. Nothing contained in this section shall be construed to prohibit the Cooperative from crediting any of the above described funds against the members or former member's debt to the Cooperative prior to any payment to such member or any allocation in favor of other members.

ARTICLE VIII Miscellaneous

Section 32. Rules and Regulations

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

Section 33. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, and shall conform to acceptable business practices. The Board of Directors shall also, after the close of each fiscal year, cause to make a full and complete audit of the account books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

Section 34. Members in Other Organizations (Amended December 2000)

The Board of Directors shall have full power and authority on behalf of the Cooperative to purchase stock or become a member of any corporation or cooperative organized for the purpose of further enhancing the services provided to the member-owners of the Cooperative.

Section 35. Electric Consumer

The Cooperative is hereby authorized to provide for the annual subscription price each year for each member to "Electric Consumer" published by Indiana Statewide Association of RECs, Inc. from said member's assessment for electrical service or add a reasonable charge to such assessment for the cost of the same.

Section 36. Indemnification of Directors, Officers, and Employees

36.01. SCOPE OF PROTECTION. No person or his or her heirs, executors and administrators shall be liable to the Cooperative for any loss or damage suffered by it because of:

- a. Any action taken or omitted by him as a Director, officer, or employee of the Cooperative in good faith, if such person exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs;
- b. Took or omitted such action in reliance upon advice of counsel for the Cooperative or upon the statements made or information furnished by officers or employees of the Cooperative or upon the statements made or information furnished by officers or employees of the Cooperative which he had reasonable grounds to believe.

36.02. HOLD HARMLESS. Each Director, officer and employee of the Cooperative and his or her heirs, executors and administrators shall be indemnified and held harmless by this Cooperative against all costs, expenses and amounts or liability therefor, including attorney's fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit proceeding, or claim to which he or she may have been made a party by reason of being or having been a Director, officer or employee, or any settlement thereof, whether or not he or she continues to be such Director, officer or employee at the time of incurring such cost, expense or amounts, and whether or not the action or omission to act, on the part of such Director, officer or employee which is the basis of such suit, action, proceeding or claim, occurred before or after adoption of these Bylaws; except in relation to matters as to which he or she shall have been finally adjudged in such action, suit or proceeding, then determined in conjunction with the settlement of any such claim, by a majority of the quorum of the Board of Directors of the

Cooperative which is unaffected by self interest, to have been liable for negligence or misconduct in the performance of his or her duties as such Director, officer or employee. The provisions of this section shall be in addition to and not a limitation of any other rights, indemnities or limitations of liability.

36.03. INDEMNIFICATION. As requested by the Board, each Member shall indemnify the Cooperative for and hold the Cooperative harmless from, any expenses, costs liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative Director, officer or employee, agent or contractor, because of any property damage, personal injury, or death resulting from the member's negligence or failure to comply with the governing documents.

Section 37. Area Coverage

The Board of Directors shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative's service area who:

- a. Desire such service;
- b. Meet all the requirements established by the Cooperative as a condition of such service.

Section 38. Seal of Cooperative

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 of Indiana".

Section 39. Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the 31st day of December in the same year.

Section 40. Statement of Nondiscrimination

The Cooperative (IN53) has filed with the Federal Government a Compliance Assurance in which it assures the Rural Utilities Service that it will comply fully with all requirements of Title VI of the Civil Rights Act of 1964 and the rules and regulations of the Department of Agriculture issued thereunder, to the end that no person in the United States shall, on the ground of race, color, sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the conduct of its program and the operation of its facilities. Under this assurance, this organization is committed not to discriminate against any person on the ground of race, color, or national origin in its policies and practices relating to applications for service or any other policies and practices relating to treatment of beneficiaries and participants including rates, conditions and extension of service, use of any of its facilities, attendance at and participation in any meeting of beneficiaries and participants or the exercise of any rights or such beneficiaries and participants in the conduct of the operations of this organization. Any person who believes themselves, or any specific class of individuals, to be subjected by this organization to discrimination prohibited by Title VI of the Act and the rules and regulations issued thereunder may, by themselves or a representative, file with the Secretary of Agriculture, Washington D.C. 20250, or the Rural Utilities Service, Washington D.C. 20250, or this organization, or all, a written complaint. Such complaint must be filed not later than ninety (90) days after the alleged discrimination, or by such later date to which the Secretary of Agriculture or the Rural Utilities Service extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations.

40.01. DISABILITY. In addition to the policy of the Cooperative as stated above, the Cooperative is committed to the guarantees of the "Americans with Disabilities Act." Under this assurance, the Cooperative is committed not to discriminate against any person on the ground of any disability as described in said act, and the rules promulgated in conjunction therewith.

ARTICLE IX Amendments

Section 41. Amendment Procedures

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the members of the Board of Directors, which vote may be taken at any regular or special meeting of the Board of Directors; provided that notice of such alterations, amendment or repeal shall have been given with the notice of the meeting.

Section 42. Indemnification

As requested by the Board, each member shall indemnify the Cooperative for and hold the Cooperative harmless from, any expenses, costs liabilities, or damages, including reasonable attorney fees, and legal expenses, incurred by the Cooperative, or by any Cooperative Director, officer, employee, agent, or contractor, because of any property damage, personal injury, or death resulting from the member's negligence or failure to comply with the governing documents.

BE IT RESOLVED THIS 27th DAY OF JANUARY 2000, BY A VOTE OF 8 DIRECTORS VOTING IN FAVOR OF PASSAGE OF THE FOREGOING BYLAWS, AND OF NO DIRECTORS VOTING AGAINST PASSAGE, THESE BYLAWS ARE HEREBY ADOPTED AND APPROVED.

/S/Donald Gurtner,
Secretary

ATTEST:

/S/ Wayne Gingerich,
Vice-President