



Ozark Electric Cooperative, Inc.

Main Office
Mt. Vernon • (417) 466-2144

District Offices
James River • (417) 725-5160
Cape Fair • (417) 538-2273

After Hours Service Line
1-800-947-6393

Web Site
www.ozarkelectric.com

Member Information Handbook and Bylaws

Welcome!

We would like to take this opportunity to welcome you to Ozark Electric Cooperative as a member owner. This member handbook and bylaws will provide you with information about your cooperative.

The success of Ozark Electric depends on its members, the Board of Directors and employees, working together in the spirit of cooperation; the purpose being to provide dependable electric energy at the lowest possible cost.

The rules and policies explained in this handbook have been developed by your cooperative board of directors and employees. These are dedicated individuals looking out for the best interest of their employer, you the member.

Again, we want to thank you and welcome you to Ozark Electric. We will try our best to provide you with the highest quality of electric service which you deserve.

Patrick L. Prewitt
General Manager

Member Information Handbook

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Statement of Nondiscrimination

Ozark Electric Cooperative, Inc., Mt. Vernon, Missouri; is the recipient of Federal financial assistance from the Rural Utilities Services, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that in accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, or disability (Not all prohibited bases apply to all programs).

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

Revised October 1, 2007

Statement of Objectives

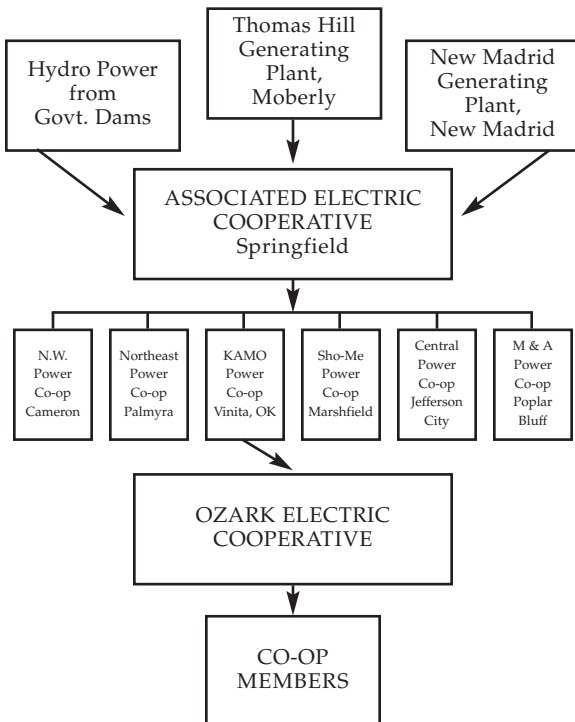
1. Provide reliable electric service at the lowest possible cost, consistent with good business practices.
2. Assure maximum utilization of equipment, plant and employees.
3. Foster the cooperative's reputation for fair dealing, prompt service, dependability, integrity, courtesy, productive ability and technical ability.
4. Provide a source of electrical supply which will ensure dependable service to those who use co-op electrical service.
5. Maintain plans for prompt and smooth conversion of cooperative activities to meet emergency conditions.
6. Provide information to members on the most efficient methods of utilizing electricity in order to conserve energy.
7. Reward, encourage progress, fully inform, train, develop, and properly assign all employees in order that their lives and work be given meaning, dignity, satisfaction and purpose, both on and off the job.

Where Your Electricity Comes From

Associated Electric, with headquarters in Springfield, Mo., was formed in 1962 with the idea of generating and coordinating the power supply of Missouri's rural electric cooperatives.

Associated Electric generates about 94 percent of our electricity from coal-fired plants. Associated has three generating units at Thomas Hill near Moberly, Mo., for a combined capacity of 1150 megawatts.

Associated Electric also produces electricity from two coal-fired units at New Madrid in the bootheel of Missouri. These units have a combined capacity of 1200 megawatts.



Board of Directors

The members of Ozark Electric elect nine directors. Each director serves a three-year term on the Cooperative board. The directors represent districts located throughout the Cooperative's service area.

The Board meets monthly to set policies and review all matters concerning the finances and operation of Ozark Electric Cooperative.

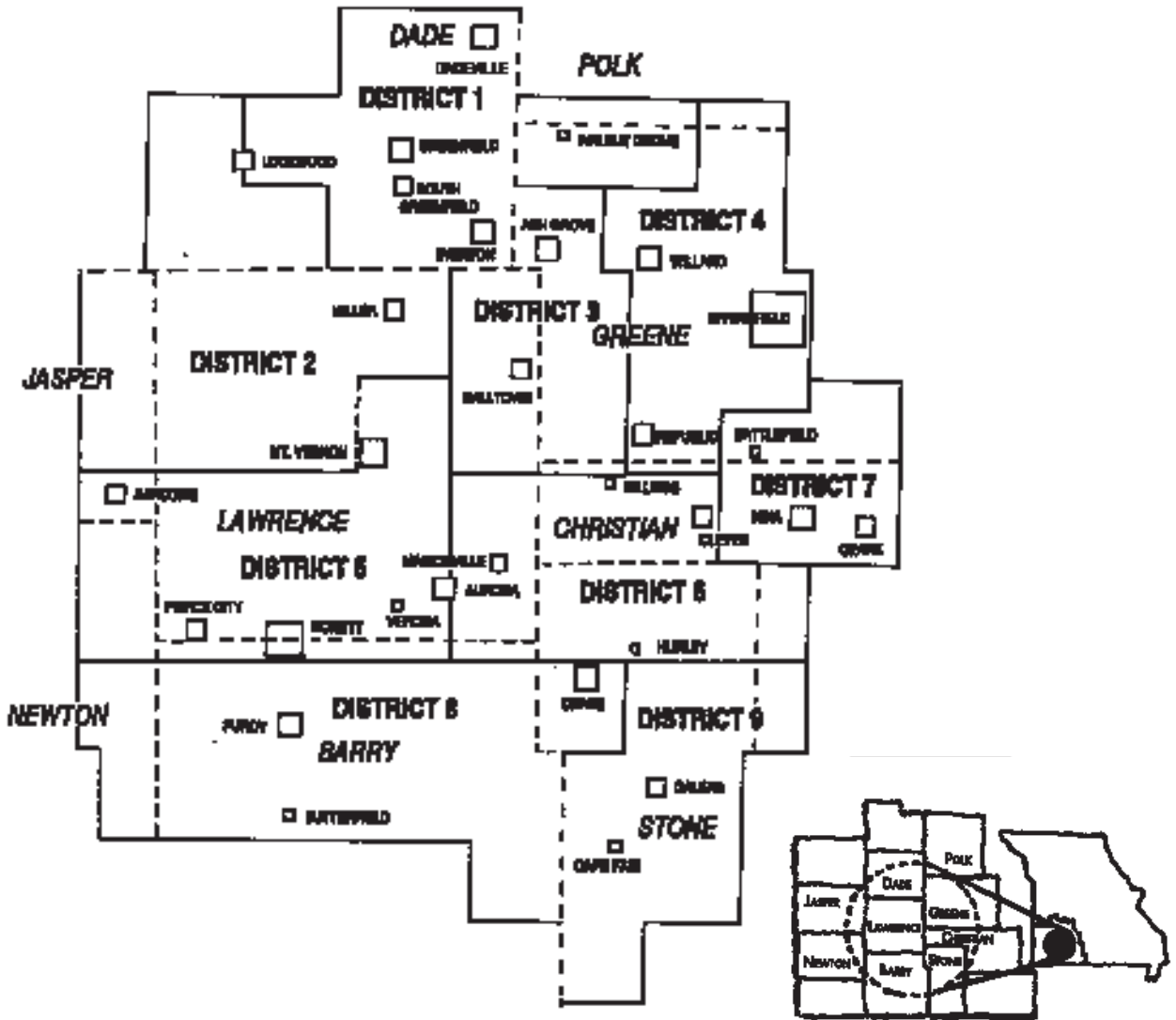
Ozark Electric Service Area

Ozark Electric Cooperative was incorporated on October 21, 1937, operating under the rules and regulations of the Rural Electrification Administration (REA). REA was established by Executive Order from President Franklin D. Roosevelt on May 11, 1936. November 1994, the electrification program was combined with rural housing, water, sewer and farm credit to create what is known today as Rural Utilities Services (RUS). RUS continues to operate under the jurisdiction of the Department of Agriculture.

There are 41 rural electric cooperatives such as Ozark Electric within the state of Missouri.

Ozark Electric service area extends some 66 miles north and south and 55 miles east and west. Today we serve electricity in parts of nine counties of southwest Missouri. These counties are: Dade, Jasper, Polk, Newton, Barry, Lawrence, Greene, Stone and Christian.

Ozark Electric Cooperative Board Districts



Relocation of Cooperative Facilities

When a request is received from a member to relocate the Cooperative's poles, lines or anchors for the purpose of building a permanent building or driveway for home improvement, the Cooperative will relocate said line, poles or anchors if possible. The actual cost will be paid 100 percent by the member requesting the relocation provided that the member will receive credit for any maintenance savings which result from the relocation.

Establishing New Electric Service

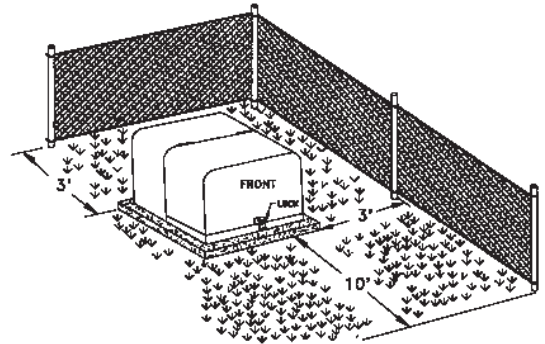
To establish electricity for a new service (overhead or underground), property owner should contact our Engineering Department to set up an appointment to meet with engineers to discuss exact requirements and costs.

Easements

No person shall be permitted to erect or construct any billboard, sign, or building or other structure within the boundaries of any easement which has been or shall be granted to Ozark Electric Cooperative. The planting of trees and shrubbery within 15 feet of the power line is also prohibited.

Clearance Requirements

No obstructions such as fences, buildings, or bushes are to exist within three feet (3') from sides and rear of a padmount transformer. There must be at least ten feet (10') clearance from the front of the transformer or a gate allowing access to the locked front of transformer.



10-Foot Rule

The 10-foot Rule refers to the distance extending ten feet in every direction from any power line. It is the distance you should observe when you're working outdoors with equipment or machinery. Missouri law requires you to notify the Cooperative anytime you work near a power line.

Cooperative Publications

As a cooperative member, you will receive periodic publications from Ozark Electric to keep you informed and up-to-date on your cooperative's activities.

Rural Missouri is a statewide newspaper published by the Association of Missouri Electric Cooperatives every month. Ozark Electric contributes local news to the back pages of this paper. A deduction of not less than \$3.00 and not more than \$5.00 annually from the Cooperative's equity is allocated for each member's subscription to the monthly publication, Rural Missouri. Rural Missouri is an award-winning publication that includes local and national happenings as well as features on cooperative members.

Sparks is a special edition of the cooperative member newsletter mailed as an insert in the September issue of Rural Missouri. It serves as the official notice of Annual Meeting and contains your registration form to bring to the meeting as well as the proxy ballot if you are unable to attend annual meeting.

Safety Tips

Here are a few safety tips to remember when around power lines. Pass these tips on to friends and family. And remember, electricity is always seeking the shortest distance to the ground. Don't get in its path!

- Stay away from fallen electric lines and keep others away. If the lines are across your car and you can't back out, stay in the car until help arrives.
- Look up when you move tall equipment or install antennas. ALWAYS LOOK UP!
- Don't use electric appliances in a wet basement or in the rain. WATER AND ELECTRICITY DO NOT MIX!
- Keep metal ladders away from power lines.
- Never climb an electric pole or tree which is close to a line. Never even get close to a substation enclosure.
- Don't fly kites or model planes around power lines.
- If you happen to come across a damaged or fallen utility pole, contact the Cooperative immediately. Meanwhile, do not touch anything at the scene - and don't let anyone else.

Public Safety

Board Policy No. 13.7

I. Objective

To establish procedures and conditions that safeguard the Cooperative's members and the general public from potentially dangerous electrical conditions.

II. Policy Content

Cooperative members and the general public should never come into contact with electrical power lines. When potentially hazardous conditions are observed, Cooperative members and the general public should alert the Cooperative to the condition.

III. Provisions

A. The Cooperative, in the construction, operation, and maintenance of its electrical system, will at all times adhere to the provisions outlined in the most current edition of the National Electrical Safety Code (NESC), unless specifically required by other authorities to do otherwise.

B. It is the responsibility of each employee, contractor, cooperative member, and general public member to report to the Cooperative all unsafe conditions that any such person observes in the Cooperative's electrical system. Any employee, contractor, Cooperative member, or member of the general public, upon finding a power line in an unsafe condition or a condition not in compliance with NESC clearances should immediately notify the Cooperative's dispatcher concerning the unsafe condition. Cooperative members and members of the general public are not expected to stand by to guard against hazardous conditions but should notify, in addition to Cooperative personnel, law enforcement and emergency personnel respecting the unsafe condition.

C. Members of the Cooperative and the general public should always assume that a downed power line or a sagging power line is unsafe. Contact should be strictly avoided, and the Cooperative and law enforcement authorities should be notified when such a condition is observed.

D. Even a power line that appears to be in its normal condition may be unsafe. Therefore, members of the Cooperative and the general public should avoid contact with power lines.

E. If any cooperative member or member of the general public inadvertently comes into contact with a power line, the incident should be reported immediately to the Cooperative. If there are injuries, emergency medical personnel should be contacted immediately. **FURTHER CONTACT WITH THE POWER LINE SHOULD BE STRICTLY AVOIDED, AND THE INCIDENT SHOULD BE REPORTED IMMEDIATELY TO THE COOPERATIVE. IF THE INCIDENT OCCURRED ON A PUBLIC RIGHT-OF-WAY, LAW ENFORCEMENT OFFICIALS SHOULD ALSO BE NOTIFIED.**

F. All accidental contacts involving the Cooperative's electric lines, vehicles, or property should be properly and promptly investigated, with complete accident reports prepared, including photographs and sketches to substantiate written reports.

IV. Responsibility

A. The General Manager will be responsible for the administration of this policy.

B. Copies of this policy shall be posted in the Cooperative's reception area. Copies of this policy shall be forwarded to various public agencies within the Cooperative's service area. Copies of this policy shall be given to each new member upon application for service.

Date approved: December 23, 1992

Attested: Secretary James C. Cox

To Report Power Outages

Check all breakers and fuses to be sure they are all right. Be sure to check main breaker underneath the meter (some may not have this breaker under the meter).

If the fuses and main breaker are all right, check with neighbors to see if they have electricity. This will help determine if the trouble is caused by the transformer serving your home, or if it is the main line.

When you call the Cooperative to report an outage, have your account number and location number ready. Your account number and your location number are on your billing statement.

Call (417) 466-2144, 725-5160, 538-2273 or after hours call 800-947-6393 to report an outage. There is a dispatcher on duty 24 hours a day, 7 days a week.

BYLAWS of Ozark Electric Cooperative

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ARTICLE I — MEMBERSHIP
As Amended 1997

SECTION 1-A. Requirements for Type 1 Membership. Any person, firm, association, corporation, or body politic or subdivision thereof, may become a member in Ozark Electric Cooperative (hereinafter called “Cooperative”) by:

- (1) Executing a written application for Cooperative membership;
- (2) Agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (3) Agreeing to comply with and be bound by the Articles Incorporated and Bylaws of the Cooperative, and any rules and regulations adopted by the board of directors (hereinafter referred to as the “Board”) from time to time.

SECTION 1-B. Requirements for Type 2 Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a Type 2 member of Ozark Electric Cooperative (hereinafter called the “Cooperative”) by becoming a customer of a corporate subsidiary which is wholly-owned by the Cooperative and to which the Cooperative furnishes electric energy; and

- (1) Making a written application for membership in the Cooperative; and
- (2) Agreeing to comply with and be bound by the Articles of Conversion and Bylaws of the Cooperative and any rules and regulations adopted from time to time by the Board of Directors of the Cooperative.

Type 2 members shall have the right to receive capital credits earned by the wholly-owned subsidiary, after municipal franchise or gross receipts taxes, income taxes, if any, paid by the subsidiary have been off-set against such capital credits.

SECTION 1-C. No person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until accepted for membership by the Board of Directors. No Type 1 member may hold more than one Type 1 membership in the Cooperative. No Type 2 member may hold more than one Type 2 membership in the Cooperative.

In the event a person, firm, association, corporation or body politic or subdivision thereof has both a Type 1 and Type 2

membership, he or it shall be considered to have a single membership for purposes of all voting and notification rights set forth in these Bylaws. No membership shall be transferable, except as provided in these Bylaws. Any subsequent reference in these Bylaws to “members” or “membership”: shall include both Type 1 or Type 2 members. Any subsequent reference in these Bylaws to “Cooperative” shall also include any wholly-owned subsidiary of the Cooperative.

SECTION 2. Proof of Membership. The membership list maintained by the Cooperative shall be conclusive as to membership status.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof

and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by the board.

- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor.

SECTION 5. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount 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 him to the Cooperative as and when the same shall become due and payable.

SECTION 6. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the board, 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 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 electric energy from the Cooperative, or of a member who has ceased to purchase energy 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. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE II — RIGHTS AND
LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after

- (a) All debts and liabilities of the Cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

SECTION 2. Non-liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III — MEETING OF MEMBERS
As Amended 1995

SECTION 1. Annual Meeting. The annual meeting of the members shall be held during the month of August or September of each year beginning with the year 1982 at such place within a county served by the Cooperative, as selected 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 board members, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as des-

igned by the board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meetings. 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 days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed 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 an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. As Amended 2000. Two percent of the first two thousand members and one percent of the remaining members present in person shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

SECTION 6. Proxies. At all meetings of members, a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may give his proxy only to another member or to an adult relative living in the same household as the member. No member or person shall vote as proxy for more than two (2) members at any meeting of the members. No proxy shall be valid after sixty (60) days from the date of its execution. The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at

such meeting in the same manner and with the same effect as if he had not executed a proxy. In case of a joint membership, a proxy may be executed by either husband or wife. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

SECTION 7. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meetings:

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

ARTICLE IV — BOARD MEMBERS
As Amended 1997

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine 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. Each member of the board shall serve for a term of three years and until his successor is elected and qualified. At each annual meeting three members of the board shall be elected to serve for said

term. The election of members of the board shall be by secret ballot and notwithstanding any provision herein for the method of nominations and election, ballots for the election of directors shall be received from the time fixed by the board for registration at each meeting until the completion of balloting for the members of the board as provided in the order of business for annual meetings. Ballots shall be prepared at the direction of the board and shall contain the names of those nominated for director.

Each member of the Cooperative shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes shall be considered elected as a board member.

If an election of board members 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 board members within a reasonable time thereafter. Board members may be elected by a plurality vote of the members voting at such election.

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

- (a) is not a member using the Cooperative's service at his/her principal place of abode and a resident of the district to be represented; or
- (b) is a close relative of a director or an employee of the Cooperative. For the purpose of this section a "close relative" is defined as a person who by blood or marriage is either a spouse, child, stepchild, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece;
- (c) is an employee of the Cooperative or has within five years preceding the date of election been an employee of the Cooperative.
- (d) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
- (e) is an incumbent or candidate for an elective public office in connection with which compensation in excess of five hundred dollars (\$500) per year is paid or payable.

- (f) Beginning with the annual meeting of Cooperative members held in the year 1982, the territory served or to be served by the Cooperative shall be divided into nine (9) districts. Each district shall be represented by one (1) board member. The original districts shall be as follows, by reference to the Official System Map of Ozark Electric Cooperative:

District 1: Map areas 1, 2, 4, 5, 6, 7, 8, 12 and 13.

District 2: Map areas 3, 10, 11, 17, 18, 19, 20, 25, 26 and 27.

District 3: Map areas 14, 21, 22, 29 and 30.

District 4: Map areas 9, 15, 16, 23, 24, 31 and that part of Map area 32 lying North of Highway M in Greene County, Missouri.

District 5: Map areas 28, 34, 35, 36, 37, 43, 44, 45 and 46.

District 6: Map areas 38, 39, 40, 47, 48, 49 and 50.

District 7: That part of Map area 32 lying South of Highway M in Greene County, Missouri, and Map areas 33, 41 and 42.

District 8: Map areas 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62 and 68.

District 9: Map areas 57, 69, 63, 64, 65, 66 and 67.

SECTION 4. Nominations. All candidates for election to the board of directors shall be nominated by the written request of any fifteen or more members residing in the district to be represented. The nomination of a qualified member as a candidate will be complete when the written request naming that member is timely delivered to any office of the Cooperative not more than ninety (90) days and not less than (45) days before the annual meeting of members. No member shall sign more than one nomination request. Following closure of this nominating period, no further nominations will be received. A nominee's name shall be placed on the ballot as a candidate after verification of the nominee's qualification and the membership status of the nominators.

SECTION 5. Removal of Board Members by Members. Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percentum of the members, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least thirty days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by the vote of the

members at such meeting without compliance with the foregoing provisions with respect to nominations and notice.

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 shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term.

SECTION 7. Compensation. Board members shall not receive any salary for their services as such, except that the board 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. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business. 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.

SECTION 8. Indemnification. The Cooperative shall indemnify present and former Directors, officers, agents, and employees against liability to the extent their acts or omissions constituting the grounds for alleged liability were performed in the official capacity and, if actionable at all, were based upon good faith business judgment in the belief the acts or omissions were in the best interest of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

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 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 Meeting. Special meetings of the board may be called by the President or by any three 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 default in duty by the Secretary, by the President or the board member calling for the meeting, at least five days before the date set for 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.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board 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.

SECTION 5. Removal for Failure to Attend. Any board member who shall fail to attend three successive regular or special meetings of the board of directors, shall be removed from office, unless the failure to attend such meetings is caused by illness of himself or a member of his immediate family, or by some act of God, or some other matter beyond the control of the member. Any vacancy resulting from such removal shall be filled by the affirmative vote of a majority of the remaining directors for the remainder of the member's term.

ARTICLE VI — OFFICERS

As Amended 1997

SECTION 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The office 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 thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least thirty days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President. The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board;
- (b) sign, with the Secretary 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 President and such other duties as may be prescribed by the board from time to time.

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

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 seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him 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 such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) the general performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him 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. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with 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. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the board subject to the provisions of these Bylaws with respect to compensation for a board member.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

SECTION 12. Delegation of Secretary and Treasurer Responsibilities. Notwithstanding the duties, responsibilities, and authorities of the Secretary and the Treasurer herein above provided, the Board of Directors by resolution may, except as otherwise limited by law, delegate the responsibility, authority and administrative duties in whole or in part to one or more of the agents, other officers, or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any officer, that officer as such shall be released from such duties, responsibilities and authorities.

ARTICLE VII — NON-PROFIT OPERATION
As Amended 1994

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

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the

Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after 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 for capital.

Provided, however, that the board of directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative, or otherwise transacting business with the Cooperative. Such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts, and (d) without limitation, preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a

patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore furnished as capital.

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

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 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.

ARTICLE VIII — DISPOSITION OF PROPERTY
As Amended 1997

- (a) Not inconsistently with Mo. Rev. Stat. Section 394.180 and subsection (b) hereof, the Cooperative may, at a duly held meeting of the members, authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's properties and assets only upon the affirmative votes of two-thirds (2/3) of the then-total members of the Cooperative; however, the Board of Directors, without authorization by the members, shall have full power and authority (1) to borrow monies from any source and in such amounts as the Board may from time to time determine (2) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefor, and (3) to sell, lease, lease-sell, exchange, transfer or otherwise dispose of property no longer necessary or useful for the operation of the Cooperative, or less than a substantial portion of the Cooperative's properties and assets. "Substantial portion" means ten (10%) percent or more of the Cooperative's total assets as reflected on its books at the time of the transaction.
- (b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these bylaws, no sale, lease, lease-sale, exchange, transfer, or other disposition of all or any substantial portion of the Cooperative's properties and assets shall be authorized except in the conformity with the following:
 - (1) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer, or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such sale, lease, lease-sale, exchange or other disposition as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Presiding Judge for the 39th Judicial District in Missouri. If such judge refuses to make such designations, they shall be made by the Board of Directors.
 - (2) If the Board of Directors after receiving such

appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Missouri (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in written notice given to them.

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

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

The Board of Directors may transfer title to portions of the Cooperative's property and assets from time to time to a wholly-owned subsidiary corporation when, in the Board of Directors' judgment, such transfers are necessary or appropriate to protect the Cooperative's investment and financial integrity. Such transfer shall be a change in nominal title only and shall not require membership as set forth above.

ARTICLE IX — SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Missouri."

ARTICLE X — FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these Bylaws, the board 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. Change in Rates. Written notice shall be given to the Administrator of the Rural Electrification

Administration of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI — MISCELLANEOUS
As Amended 2000

SECTION 1. 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 2. 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 3. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. The board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 4. Area Coverage. The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 5. Unclaimed Monies. Notwithstanding any pro-

visions herein contained to the contrary, any member, former member, or other patron who fails to claim any capital credits, patronage refunds, utility deposits, or account balances within two (2) years after payment thereof has been made available to such person shall have made an irrevocable assignment and gift to the Cooperative of such unclaimed monies. Upon expiration of two (2) years after availability of such monies, the Cooperative shall give sixty (60) days notice in a newspaper of general circulation, published in the county of the last known address of said person. Such notice shall contain the person's name, amount and type of monetary interest, and that if said monies are not duly claimed within sixty (60) days after the publication of such notice, the Cooperative shall, after off-setting any outstanding amounts due and owing the Cooperative from said person, thereafter treat the net unclaimed amount as general income for the Cooperative includable in the fiscal year in which the sixtieth (60th) day after published notice falls."

ARTICLE XII — AMENDMENTS

These Bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. It shall be the responsibility of the board to receive proposed amendments to the Bylaws from Cooperative members, and to recommend to the members any amendments which the board determines to be necessary and proper. Amendments proposed by Cooperative members shall be submitted in writing to the Secretary not less than ninety days prior to the date of any regular or special meeting.

Revised October 2007