Bylaws

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CENTRAL
rural electric cooperative

ARTICLE I
MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation, legal entity, or body politic or subdivision thereof may become a Member of Central Rural Electric Cooperative, (hereinafter referred to as the "Cooperative") upon receipt of Cooperative services from the Cooperative, provided that he/she, or it, has first:

(a) made application for membership therein;
(b) agreed to purchase from the Cooperative, services as hereinafter specified;
(c) agreed to comply with and be bound by the Articles of Incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees;
(d) paid the membership fee specified by the Board of Trustees; and
(e) executed and delivered to the Cooperative grants of easement or right-of-way on or over such lands owned by the Members, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other Members, or for the construction operation and maintenance, or the relocation of the Cooperative's electric facilities.

The Cooperative accepts the Membership upon the delivery of service.

No Member may hold more than one residential membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

Section 2. Joint Membership. A married couple 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 married couple 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 3. Conversion of Membership.

(a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, bylaws, rules, and regulations adopted by the Board of Trustees.
(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor.
(c) Upon the legal separation or divorce of the holders of a joint membership, or withdrawal of one of the joint members, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint; provided that the other spouse shall not be released from any debts due the Cooperative.

Section 4. Membership and Connection Fees. The membership fee shall be set by the Board of Trustees, but shall not exceed fifty dollars ($50). A Member shall be eligible for one or more service connections.

Section 5. Purchase of Cooperative Services.

(a) Each Member shall, as soon as service is available, purchase from the Cooperative those services for use on the premises specified in the application for membership, and shall monthly pay therefore at rates which shall be fixed by the Board of Trustees and approved by such regulatory authority having jurisdiction to govern the rate making function of this Cooperative (if required by law); provided, however that the Board of Trustees may, in its discretion and in the best interest of the Cooperative, limit the amount of electric energy which the Cooperative shall be required to furnish any Member.
(b) It is expressly understood that amounts paid for services in excess of the cost of service are furnished by Members as capital and each Member shall be credited with the capital so furnished as provided in these bylaws. Each Member shall pay to the Cooperative such minimum amount per month regardless of the amount of Cooperative services utilized, as shall be fixed by the Board of Trustees. Each Member shall also pay all amounts owed by him/her or it to the Cooperative as and when the same shall become due and payable.
(c) Production or use of electric energy on the premises specified in a Member's application for membership, regardless of the source thereof by means of facilities which shall be interconnected with Cooperative's facilities, shall be subject to appropriate regulations as shall be set by the Cooperative, and in accordance with prevailing law or the rules and regulations of any governing body having jurisdiction over the Cooperative.

Section 6. Termination of Membership.

(a) Any Member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the Trustees, expel any Member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, bylaws, rules or regulations adopted by the Board of Trustees, but only if such Member shall have been given written notice by the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or 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 of Trustees or by vote of the Members at any annual or special meeting.
(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 their estate, or successor in interest, from any debts due the Cooperative.
(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the Member the amount of membership fee paid provided that the Cooperative shall deduct from the amount of membership fee the amount of any debts or obligations owed by the Member to the Cooperative.

ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members. Upon dissolution, after:

(a) all debts and liabilities of the Cooperative 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 a period, during the period of its existence.

Section 2. Non-Liability for Debts of the Cooperative. The private property of the Member shall be exempt from execution or other liability for the debts of the Cooperative and no Member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be scheduled by the Board of Trustees to be held at such place within the service territory in which the Cooperative serves in the State of Oklahoma, and beginning at such date and at such hour, as the Board of Trustees shall from year to year fix. It shall be the responsibility of the Board of Trustees to make adequate plans and preparation for, and to encourage member attendance at, the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the entire membership may be called by resolution of the Board of Trustees, upon written request signed by any three (3) Trustees, by not less than ten per centum (10%) of the Members, or by the president. The meetings may be held at any place within the County of Payne, County of Lincoln, County of Oklahoma, County of Logan, or the County of Noble, in the State of Oklahoma and on such date as shall be fixed by the Board of Trustees. It shall thereupon be the duty of the secretary to cause notice of such meetings to be given as hereinafter provided.

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 at an annual meeting at which business other than that listed in Section 7 of this article 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 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/her address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any Member to receive notice of an annual or special meeting of the Members shall not invalidate any action which may be taken by the Members at any such meeting.

Section 4. Quorum. At all annual and special meetings of Members, five per centum (5%) of the total number of Members of the Cooperative shall constitute a quorum. 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, provided that the secretary shall notify any absent Members of the time and place of such adjourned meeting. The registration of a Member shall count toward the quorum requirement.

Section 5. Voting.

(a) Each Member shall be entitled to only one vote on 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. Voting by proxy is not permitted.

(b) Voting by Members other than Members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to, or upon registration at each Member meeting, of satisfactory evidence entitling the person presenting the same to vote. No individual may vote more than one (1) membership during any election.

(c) The Board of Trustees shall appoint a credentials and elections committee consisting of an uneven number of Members, not less than three nor more than fifteen, who are not Trustees, and who are not close relatives or members of the same household of, existing Trustees or known candidates for Trustees to be elected at such meeting. In appointing a committee, the Board of Trustees shall have regard for equitable representation of the several areas served by the Cooperative. It shall be the responsibility of the committee to pass upon all questions that may arise with respect to the registration of Members, to count all ballots cast in any election or in any other ballot vote taken, and to rule upon the effect of any ballots irregularly marked. The committee's decisions on all such matters shall be final.

(d) The Cooperative may allow Members to register and simultaneously cast their ballot. The member's registration shall be counted as an attendee to determine the quorum for the meeting.

Section 6. Alternate Format Meeting. The Annual Meeting, election of Trustees and other meetings of the members may be scheduled to allow members to register and cast their ballot during a set period of time.

Section 7. Order of Business. The order of business at member meetings shall be set forth by the Board of Trustees.

ARTICLE IV
TRUSTEES

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of seven Trustees. The Trustees 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. Tenure of Office. Tenure of Office. Each Trustee shall be elected at a district Member meeting held in the district he/she will represent, by and from the Members of the district, to serve until the conclusion of the annual meeting in his or her third year in office or until his or her successor shall have been selected and shall have qualified. No Trustee shall serve any more than a total of four (4), three-year terms.

Trustees shall be elected to three-year staggered terms.

- Districts 1 and 7 shall be elected in the same year.
- Districts 2, 3 and 4 shall be elected in the same year.
- Districts 5 and 6 shall be elected in the same year.

Section 3. Qualifications. No person shall be eligible to become or remain a Trustee of the Cooperative who:

(a) is not a Member and bona fide resident of the district he or she represents in the area serviced or to be served by the Cooperative; or

(b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the Members of the Cooperative; or

(c) is the incumbent of or candidate for an elected public office in connection with which a salary or compensation in excess of one thousand dollars ($1,000) per annum is paid; or

(d) is an employee or former employee whose employment with the Cooperative was terminated less than three years prior to the date of the district meeting at which the Trustee election is held; or

(e) has been convicted of a felony; or

(f) is a close relative of any existing Trustee, other than an existing Trustee who will cease being a Trustee within one (1) year; or

(g) is an existing, or a close relative of an existing, non-trustee Cooperative Officer, employee, agent, or representative; or
(h) has not completed National Rural Electric Cooperative Association Credentialed Cooperative Director certification within three years of his or her first meeting as a Trustee; or
(i) has been absent from three consecutive regular board meetings without board consent; or
(j) Breached the duty of care and loyalty to the cooperative.

Upon establishment of the fact that a Trustee is holding the office in violation of any of the foregoing provisions, the Board shall remove such Trustee from the office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 4. Districts. The territory served or to be served by the Cooperative shall be divided into seven districts, each of which shall contain approximately the same number of Members. Each district shall be represented by one Trustee. Not less than sixty days before any meeting of the Members at which Trustees are to be elected, the Board shall review the composition of the seven districts and, if it should find inequalities in representation which could be corrected by an appropriation of districts, the Board shall reconstitute the districts so that each shall contain approximately the same number of Members.

Section 5. District Meetings. Prior to the cooperative's annual meeting, the Board shall call a separate meeting of the Members of each district in which the terms of incumbent Trustees are due to expire for the purpose of electing one Trustee to represent the Members located within each of such districts. Such meetings shall be held anytime 30 to 60 days prior to the annual meeting. Only members of such districts will be able to vote for the Trustee.
All district meetings of the Members shall be held at a location within the geographic boundaries of the particular district as may be from time to time established by the Cooperative.

Section 6. Notice of District Meetings. Notice of the meeting shall be published to the membership a minimum of 30 days prior to the election. The notice will be emailed or mailed to all members within a district. Details shall include the place, date and hour of the meeting and should contain the names of all candidates to be voted on at said election. The failure of any Member to receive notice of the meeting shall not invalidate any action which may be taken by the Members at any such meeting.

Section 7. Candidacy. A five-business day filing period shall be held a minimum of 60 days prior to the first district election. Any Member of the districts holding elections who wishes to become a candidate for the office of Trustee of his/her district, shall file a written notice of his/her candidacy and intention to stand for election. The candidate shall personally appear and file the written notice, on a form provided by the Cooperative, at the principal office of the Cooperative during normal business hours. Only those persons who have filed for election in compliance with this section of the bylaws shall be eligible for election.
(a) Provisions of this section of the bylaws shall be published to each member of said districts a minimum of 30 days before the first day of the filing period.

Section 8. Election. All Trustees shall be elected in the following manner:
(a) Five per centum (5%) of the Members of the district shall constitute a quorum at the district membership meeting. If less than a quorum is present at any district meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. In the event that a quorum is not present and the election, because of such, cannot be held, then and in that event the Trustee holding office from that district shall automatically remain in office for an additional three-year term provided he/she otherwise qualifies. In the event a vacancy exists at the time of the District Meeting and a quorum is not present at the District Meeting, the Board of Trustees shall appoint the Trustee for the three-year term. For the purpose of determining a quorum, the registration book shall be closed at the beginning of the meeting, and only those persons then registered or who may be present and available for registration may vote on the matters coming before the Members at such meeting, including the election of the Trustee of said district. If only one qualified applicant files for election, the board shall appoint the qualified applicant for the term.
(b) Each district Member in attendance at the district membership meeting shall be entitled to one vote, however, no individual may vote more than one (1) membership. Voting shall be by ballot or roll call. A candidate shall receive a majority vote of those voting to be declared elected. No Member at any district membership meeting shall be permitted to vote by proxy or by mail. The president, vice president, or secretary of the Cooperative may act as chairman and preside over any district membership meeting or a chairman may be selected from the Members present.
(c) A secretary for said meeting may be furnished by the Cooperative or selected by the Members present which secretary shall record the proceedings of said meeting. The minutes of such district meeting shall set forth, among other matters, the name of the person elected Trustee and the number of votes received by such person. A certified copy of the minutes, signed by the secretary and chairman of the district meeting shall be delivered to the secretary of the Cooperative within five days after such district meeting.
(d) The certification of the chairman and secretary of the election of the Trustee by any district membership meeting shall be taken by the Cooperative as conclusive of the election of such Trustee at such district membership meeting.
(e) Following the election of a Trustee, it shall be the responsibility of the existing Board of Trustees to establish the fact of qualification of said Trustee. That fact having been established, then the Trustee shall be officially seated on the Board and shall begin his/her term of office at the first meeting of the Board of Trustees following the annual meeting of the Members in the year elected.
(f) Should a Trustee move his/her place of residence from his/her voting district, a vacancy in his/her office shall be declared by the Board and a Trustee from said district to fill the unexpired term shall be named as is provided in and by these bylaws.
(g) Any error or omission in the giving of any notice or the holding of any meeting as herein provided shall not affect in any manner whatsoever the validity of the election of any Trustee.

Section 9. Removal of Trustee by Members. Any Member of a voting district may bring charges against the Trustee of said district by filing with the secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the Members of said district requesting the removal of such Trustee by reason thereof. Such Trustee shall be informed in writing of the charges at least ten days prior to the district Members' 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 to the charges; and the person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of such Trustee shall be considered and voted upon at the district Members meeting at which a quorum is present, and any vacancy created by such removal may be filled by a vote of the Members at such meeting, provided that the new Trustee must reside in the same district as the Trustee in respect of whom the vacancy occurs.

Section 10. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies, occurring with less than one (1) year remaining on the term, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the Trustees for the unexpired portion of the term of the Trustee in respect to whom the vacancy

occurs. The Member elected as Trustee to fill the vacancy must reside in the same district as the Trustee to whose office he/she succeeds.

If one (1) year or more remains on the unfulfilled term, the Board of Trustees shall call a special election of the district and voting will be conducted pursuant to Article IV, Section 8. In the event a quorum is not present, the Board of Trustees will appoint a representative to fulfill the term.

Any person appointed or elected to fulfill a vacancy shall not have that service counted toward a term as defined in Article IV, Section 2 of these bylaws.

Section 11. Compensation. Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees, national, regional, and state Cooperative organization meetings and other meetings involving the interests of the Cooperative, when such Trustee is attending on behalf of and in the interest of the Cooperative. Except in emergencies, no Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of the Trustee receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the Trustees.

ARTICLE V
MEETINGS OF TRUSTEES

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as the annual meeting of the Members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in Payne County, Lincoln County, Logan County, Noble County, or Oklahoma County, in the State of Oklahoma, as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the president or by any three Trustees, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The president or the Trustees calling the meeting shall fix the time and place (which shall be in Payne County, Lincoln County, Logan County, Noble County, or Oklahoma County, Oklahoma), for the holding of the meeting.

Section 3. Notice of Trustees' Meetings. Written notice of the time, place, and purpose of any special meeting of the Board of Trustees shall be delivered not less than three days previous thereto, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the president or the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time; and provided further, that the secretary shall notify any absent Trustees of the time and place of such adjourned meeting. The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

Section 5. Meeting. The Board of Trustees shall adopt policies and procedures for meeting attendance. To be considered present at a meeting the Trustee shall be able to participate in the discussion and have his or her vote recorded.

ARTICLE VI
OFFICERS

Section 1. Number. The officers of the Cooperative shall be a president, vice president, secretary, treasurer, and such other officers as may be determined by the Board of Trustees from time to time. The offices of secretary and of treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected, by ballot, annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly after the annual meeting of the Members. If the election of officers shall not be held at such meeting, such election of officers shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees 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 of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees. Any officer or agent, elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any Member of the Cooperative may bring charges against an officer by filing such charges in writing with the secretary, together with a petition signed by ten per centum (10%) of the Members, and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the 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/her shall have the same opportunity. The question of the removal of such officer shall be considered and voted upon at the next regular or special 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 of Trustees, shall preside at all meetings of the Members and the Board of Trustees;

(b) sign, with the secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Trustees to be executed, except in the cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some other office 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 of Trustees 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/her by the Board of Trustees.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall be responsible for:

(a) seeing that all notices are duly given in accordance with these bylaws or as required by law;

(b) 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/her by the Board of Trustees.

(c) in general, performing all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the Board of Trustees.

Section 8. Chief Executive Officer. The Board of Trustees shall appoint a Chief Executive Officer (CEO) who may be, but who shall not be required to be, a Member of the Cooperative. The Chief Executive Officer (CEO) shall perform such duties and shall exercise such authority as the Board of Trustees may vest in him/her.

Section 9. Bonds of Officers. The treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees 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 any officers, agents, and employees shall be fixed by the Board of Trustees, subject to the provisions of these bylaws with respect to compensation for the Trustees and close relatives of Trustees.

Section 11. Reports. The officers of the Cooperative shall submit or cause to be submitted at or before each annual meeting of the Members a report covering the business of the Cooperative for the previous fiscal year. Such report shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII
NON-PROFIT OPERATION

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

Section 2. Patronage Capital in Connection with Furnishing Cooperative Services. In the furnishing of Cooperative services, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit 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 Cooperative services in excess of operating costs and expenses properly chargeable against the furnishing of Cooperative services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons 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 as related to the services received by the patron. 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 manner 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; provided that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. 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 amount for capital.

All other amounts received by the Cooperative from its operation in excess of the 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 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.

Upon dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative has 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, prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired, the capital then credited to patron's accounts may be retired in full or in part. The method utilized to retire capital shall be determined by the Board of Trustees, provided however, that the financial condition of the Cooperative will not be impaired thereby.

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 in part of such patron's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise.

The Cooperative may not retire capital credits to any Member(s) that has an account that is past ninety (90) days due.

Notwithstanding any other provisions of these bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon the death of any patron who was a natural person and not a corporation, if the legal representatives of his/her estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, 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 patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Section 3. Newspaper Subscriptions. Sixty cents and such additional sum as the Board of Trustees shall determine, from time to time, shall represent the annual subscription price for the newspaper of the Cooperative and shall be retained by the Cooperative to offset the cost of publication from the amount of credits accruing to each patron each year.

ARTICLE VIII
DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the Members thereof by the affirmative vote of not less than two-thirds of all the Members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting, provided, however, that notwithstanding anything herein contained,

the Board of Trustees of the Cooperative, without authorization by the Members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenue and income therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America, any instrumentality or agency thereof, or to any corporation or financial institution, authorized to assist in the credit and financial needs of Rural Electric Cooperatives.

ARTICLE IX
SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Stillwater, Oklahoma."

ARTICLE X
FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Trustees may authorize any officer or officers, agent or agents to enter into contract or execute and deliver any instrument in the name and on behalf of the Cooperative and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

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 of Trustees may select.

Section 4. Changes in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) 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 and end on the last day of December of each year.

ARTICLE XI

Section 1. Membership In Other Organizations. The Cooperative shall not become a member of any other organization without an affirmative vote of not less than two-thirds (2/3) of all the Trustees at a regular or special meeting of Trustees, the notice of such meeting shall specify the organization and that action is to be taken upon such proposed membership.

Section 2. Waiver of Notice. Any Member or Trustee may waive in writing, any notice of a meeting required to be given by these bylaws. The attendance of a Member or Trustee at any meeting shall constitute a waiver of notice of such meeting by such Member or Trustee, except in case a Member or Trustee 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 3. Rules and Regulations. The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation, or these bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board of Trustees 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 or before the next following annual meeting.

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.

These bylaws include changes and amendments made at Annual Meetings from adoption to 2026.

Statement of Nondiscrimination

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).
Remedies and complaint filing deadlines vary by program or incident.

Person with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape , American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
(2) fax: (202) 690-7442; or
(3) email: program.intake@usda.gov

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