


CORN BELT ENERGY COOPERATIVE BYLAWS

AMENDED JUNE 10, 2022

MISSION STATEMENT:

To enhance the quality of life of our Members and support the communities we serve, by cooperatively providing reasonably priced energy with exceptional service.



Your Touchstone Energy® Cooperative 

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The aim of Corn Belt Energy Corporation (*hereinafter called the "Cooperative"*) is to make electric and other forms of energy and services available to its Members at the lowest cost consistent with sound economy and good management, and the Cooperative shall not be operated for pecuniary profit either to itself or to its Members.

BYLAWS

As Revised at a Meeting of Members on June 10, 2022

ARTICLE I Members

Section 1. Qualifications and Obligations.

Any person, firm association, corporation or body politic, or subdivision thereof, will become a Member of the Cooperative upon the receipt of Cooperative Services from the Cooperative, provided that he/she or it has first:

- (a) Made written application for membership therein, provided, however, that by virtue of applicant's acceptance of electric energy and/ or electric distribution services ("Cooperative Services") delivered to the applicant by or through the Cooperative, and pending the receipt of an executed written application, the applicant shall be deemed a Member of the cooperative and be deemed to have agreed to the terms and conditions of membership contained in the membership application, these Bylaws and the Articles of Incorporation of the Cooperative;

- (b) Agreed to purchase from the Cooperative any form of energy offered for sale to its Members either by the written application for membership or by the applicant's acceptance of the Cooperative Services delivered to the applicant by or through the Cooperative;
- (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 Directors, with such agreement thereto having been deemed made by the applicant's acceptance of the Cooperative Services delivered to the applicant by or through the Cooperative;
- (d) Paid such membership fee as may be required by action of the Board of Directors, provided however, that no Member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable except as provided in these Bylaws; and
- (e) Any applicant who fails to complete a membership application within ninety (90) days from the date the applicant begins to receive Cooperative Services delivered to the applicant by or through the Cooperative shall be deemed to have accepted the terms and conditions contained in the Membership application as fully and with the same force and effect as though the applicant executed same and the applicant shall become a Member of the Cooperative, with all of the rights, privileges and immunities of Membership herein, and be fully bound by the terms and conditions of the Articles of Incorporation, Bylaws, and Rules and Regulations of the Cooperative as the same exist from time to time hereafter.

Section 2. Classification of Members.

All Members of the Cooperative and the incidents of being such Members are classified as follows:

- (a) **Members.** All Members currently purchasing electric energy or other Cooperative Services from the Cooperative delivered to the Member by or through the Cooperative shall be the Members of the Cooperative and such Members shall be permitted to vote upon any proposition submitted to the Membership at any meeting of the Members of the Cooperative. Members who meet the criteria described in Article III hereof shall be eligible to hold elective office in the Cooperative.
- (b) **Joint Member.**
 - (1) Two individuals legally married or bound through a State-recognized Civil Union who apply for Cooperative Services shall hold one membership, which shall be a joint membership with right of survivorship, unless

otherwise requested in writing, provided that the joint Member otherwise complies with the provisions of Section 1 of this Article. Two persons other than individuals legally married or bound through a State-recognized Civil Union who occupy a property as their principal residence may, upon written request therefore, hold a joint membership for service to that residence only. In the event that said residence is abandoned by either of said parties, the joint membership shall be deemed terminated as to both parties, effective with the date of abandonment and that party so abandoning the residence shall no longer be deemed a joint Member based upon that particular service. In the event that one of said joint Members continues to take service at said residence, a new membership shall be deemed issued to the person who continues service at the residence and he or she shall be deemed the Member thereafter.

- (2) Dissolution of Marriage or Civil Union of Members. In case of dissolution of marriage/civil union or annulment of a marriage between Members who previously owned a joint membership, the membership may be continued in the name of either of the joint Members, but not both. If the Court granting a Judgment of Dissolution of Marriage/Civil Union or Annulment, or any other Court of competent jurisdiction does not determine which spouse is to succeed to the membership, then the parties shall resolve the succession by a written release signed by the spouse whose name is to be deleted from said joint membership. The release shall be in such form as from time to time prescribed by the Cooperative and shall include the disposition of all capital credits assigned or then earned but not assigned. If, within thirty days from the date of the Judgment of Dissolution of Marriage/Civil Union or Annulment the parties have not determined in whose name the membership shall be continued and have not filed such release with the Cooperative, the membership shall then automatically terminate as to both parties and the capital credits to which these Members may then be entitled shall remain credited in the Capital Account in the name of both Members, subject only to future transfer by written agreement of both parties or order of a Court with competent jurisdiction. Subject to the foregoing, on the expiration of 30 days after the date a Judgment of Dissolution of Marriage is entered between the parties, the Member who continues to take service at said

location shall be deemed the sole Member and shall have all of the rights of membership, including the right to vote the Membership and the right to assigned capital credits thereafter.

- (c) **Other Classes.** The Board of Directors may, by majority vote, establish other classes of membership from time to time.

Section 3. Purchase of Electric Energy.

Each Member shall purchase from the Cooperative all electric energy to be used on the Member's premises except:

- (a) Said Member may generate for his or her own use a portion of said required energy utilizing equipment owned or leased by the Member, provided the Member shall first comply and continuously comply with interconnection requirements of the Cooperative and/or interconnection requirements required by law; or
- (b) Except as may be required or allowed under the Electric Service Customer Choice & Rate Relief Act of 1997, or any Amendments thereto (220 ILCS 5/16-101 et. seq) so long as the Member receives electricity from such different electric supplier through the distribution facilities of the Cooperative.
- (c) The Cooperative may limit, allocate or apportion the amount of energy furnished at any location, but said apportionment shall not be arbitrary. Temporary cessation of service, through planned or unplanned outages, shall be without liability to the Cooperative.
- (d) Rates for all classes of service shall from time to time be fixed by the Directors based on amount of usage and/or demand, unique cost of service and such other factors as the Directors shall deem relative to fixing the price of said energy, including without limitation, a minimum charge, regardless of the amount of energy used or consumed. Each Member shall pay for all electric energy furnished when billed and all obligations including damage caused by the negligence of said Member or agent to any part of the Cooperative distribution system either on the premises of the Member or elsewhere.
- (e) Production or use of electric energy on any Member's property, regardless of the source thereof, shall be interconnected with the Cooperative's facilities, in accordance with appropriate regulations required by law or regulations as shall be fixed from time to time by the Cooperative.

Section 4. Purchase of Other Forms of Energy.

- (a) The Board of Directors of the Cooperative may authorize the purchase of energy other than electric energy and each Member may, as soon as the particular form of energy is available, purchase from the Cooperative such other energy as the Cooperative may offer for sale from time to time to be used at such location as the Member may request.
- (b) The Cooperative shall, however, have no obligation, express or implied, to construct any transmission facilities necessary for the transportation of such energy for any Member except upon such terms and conditions as the Board of Directors may determine from time to time. The Cooperative may limit, allocate, apportion or terminate the amount of energy furnished at any location. Temporary cessation of service shall be without any liability on behalf of the Cooperative.
- (c) Rates for all classes of services shall from time to time be fixed by the Directors based upon the amount of usage, cost and/or demand, together with such other factors as the Directors shall deem relative to fixing the price of said energy, including, without limitation, a minimum charge, regardless of the amount of energy used or consumed. Each Member shall pay for all energy furnished when billed and all obligations, including damage caused by the negligence of said Member or the Member's agent, to any part of the Cooperative's distribution system.

Section 5. Non-liability for Debts of the Cooperative.

The private property of the Members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no Member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 6. Articles/Bylaws Binding.

Each Member of the Cooperative agrees to be bound by the provisions contained in the Articles of Incorporation of the Cooperative, these Bylaws, and any rules or regulations adopted from time to time by the Board of Directors, even though such rules and regulations may be adopted after the date the Member's membership becomes effective.

Section 7. Withdrawal of Membership.

Any Member may withdraw from membership upon payment in full of all debts and liabilities of such Member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 8. Transfer and Termination of Membership.

- (a) Membership in the Cooperative shall not be transferable except as provided in these Bylaws, and upon the death, cessation of existence or withdrawal of a Member, the membership of such Member shall be terminated.
- (b) Termination of membership shall not act as a release of any debt or obligation which said terminated Member may owe to the Cooperative.
- (c) Termination of membership by death and/or the full payment of all debts and liabilities to the Cooperative by the terminated Member shall not cancel or terminate the right or title to assigned patronage capital or patronage capital which may be subsequently assigned or transferred on the books of the Cooperative to the date of the Member's termination and the Member shall retain such capital credits, so assigned, on the books and records of the Cooperative, except as provided in Section 9 of this Article.
- (d) A Member's assigned patronage capital may be transferred on the books and records of the Cooperative pursuant to a written transfer and in accordance with such rules and regulations as the Cooperative may adopt from time to time.
- (e) When a membership is held jointly by two individuals legally married or bound through a State-recognized Civil Union, upon the death of either, the membership rights shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, provided, however, that the estate of the deceased Member shall not be released from any membership debts or liabilities to the Cooperative.

Section 9. Liens and Rights of Set Off.

The Cooperative shall have a lien on and the right to set off any debts due by a Member to the Cooperative against capital credits assigned, allocated or accrued to the account of any Member for any debt or sum of money due the Cooperative from that Member of whatever kind, including but not limited to charges for electric service, damage to Cooperative property, purchases from the Cooperative, late fees and attorneys' fees and Court costs incurred in the collection of any such indebtedness. The amount of set-off shall be based upon the present value of those capital credits. The present value shall be computed on the basis of a 25 year revolvment of capital credits. The discount rate to be used in making the computation of the value of the capital credits shall be equal to the weighted cost of equity of the Cooperative then available as determined by the Board of Directors or Cooperative Management from time to time.

ARTICLE II

Meeting of Members

Section 1. Annual Meeting of the Members. The annual meeting of the Membership shall be held between the 1st day of January and the 31st day of December, inclusive, each year, at any place, as the Board of Directors shall determine from time to time in any County, in which the Cooperative maintains electric transmission or distribution lines. The Annual Meeting of the Membership shall be held for the purpose of electing Directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for an annual meeting of the Membership each year. If the election of Directors shall not be held at the Annual Meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a Special Meeting of the Members as soon thereafter as conveniently may be. In the event of a local, state or national emergency the Annual Meeting may be cancelled or postponed by the Board of Directors. In the event of the cancellation or postponement of the Annual Meeting, the Board of Directors is authorized to, by majority vote, fill any vacant seat or seats on the Board of Directors which became vacant due to the inability to hold an election at such Annual Meeting. Failure to hold the Annual Meeting at the designated time or place shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings.

Special meetings of the Membership may be called by at least five (5) Directors or upon a written request signed by at least five per centum (5%) of all the Membership; and, upon such request, it shall be the duty of the Secretary to cause notice of such special meeting to be given as hereinafter provided. Special meetings of the Membership may be held at any place in any County in which the Cooperative maintains electric transmission or distribution lines.

Section 3. Notice of Members' Meetings.

Written or printed notice stating the place, day and hour of a Membership meeting and, in the case of special meeting of the Membership, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) days nor more than sixty (60) days before the date of the meeting, except in the case of a removal of one or more Directors, a merger, consolidation, dissolution or sale, lease or exchange of assets, in which event the notice shall be sent not less than twenty (20), nor more than sixty (60) days before the date of the meeting. Each Notice shall be delivered either personally or by mail, by or at the direction of the Secretary, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member as

his or her address appears on the records of the Cooperative, with postage fully prepaid thereon. In the case of a joint membership, Notice sent in the foregoing fashion to either Member shall be deemed Notice to both joint Members. The failure of any Member entitled to Notice, to receive Notice of any meeting of the Membership, shall not invalidate any action which may have been taken by the Membership at any such meeting.

Section 4. Quorum.

At least one hundred fifty (150) of the Members present in person shall constitute a quorum for the transaction of business at all meetings of the Membership. If less than a quorum is present at any meeting of the Membership, a majority of those present may adjourn the meeting from time to time without further notice to the Membership.

Section 5. Voting.

At any meeting of the Membership, Members of the Cooperative shall be entitled to vote. There shall be no vote by proxy.

- (a) Where the Member is not a natural person, such as a corporation, limited liability company, partnership, body politic or other entity, said Member shall designate and empower, in writing, an individual Member, shareholder or partner of such entity, with the authority to vote on behalf of said Member/entity. Corporations by corporate action may designate some individual to cast one vote of the corporation.
- (b) All joint Members entitled to vote shall be collectively entitled to one vote and no more on each matter submitted and one vote for each Director to be elected. The Cooperative may recognize the right of any one, but not both, of the joint Members to vote on any issue. In the case of a dispute between joint Members, the right to vote of said membership by either joint Member shall be withdrawn.
- (c) Each Membership shall be entitled to one (1) vote and no more on each matter submitted to a vote at a meeting of the Membership.
- (d) In voting for Directors, each Member may vote one (1) vote for each Director to be elected but may not cumulate votes for one or more of the nominees.
- (e) No fractional votes shall be allowed or counted.
- (f) At all meetings of the Membership at which a quorum is present all questions shall be decided by a vote of the majority of the Members present and voting thereon except as otherwise provided by these

Bylaws, the Articles of Incorporation or the laws of the State of Illinois or the United States.

Section 6. Order of Business.

The order of business at the annual meeting of the Members, and so far as possible at all other meetings of the Members, shall be essentially as follows:

1. Call of the roll.
2. Proof of the due publication or mailing of the official notice of the meeting or the waiver or waivers of notice of the meeting as the case may be.
3. Reading of unapproved minutes of previous meeting of the Members and the taking of the necessary action thereof.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of Directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE III Directors

Section 1. General Powers.

The Board of Directors shall consist of 11 Members. Except as otherwise provided by law, the certificate of incorporation of the Cooperative or by these Bylaws, the Board of Directors shall manage the business, affairs and property of the Cooperative, authorize contracts, fix charges for furnishing energy to its Members, and for other services rendered for and to its Members, and shall otherwise manage the affairs of the Cooperative in such manner as may be necessary, convenient or proper in order to carry out its objects and purposes, provided, however, that the Cooperative shall not be operated for pecuniary profits either to itself or to its Members.

Section 2. Qualifications and Tenure.

Directors shall be nominated and elected from Districts which are established as follows:

District 1: Champaign County; Ford County; and the Townships of Anchor, Arrowsmith, Bloomington, Blue Mound, Cheney's Grove, Cropsey, Dale, Danvers, Downs, Dry Grove, Empire, Funks Grove, Mount Hope, Normal, Old Town, Randolph, Towanda, West, Allin, Bellflower, Chenoa, Dawson, Lawndale, Lexington, Martin, and Yates in McLean County.

District 2: Tazewell County; Logan County.

District 3: Woodford County; Livingston County; and the Townships of Hudson, Money Creek, White Oak, and Gridley in McLean County.

District 4: DeWitt County; Macon County; Piatt County.

District 5: Henry County; Knox County; the Townships of Goshen and Elmira in Stark County; and the Townships of Neponset, Mineral, Gold and Fairfield in Bureau County.

District 6: Putnam County; Marshall County; and the Township of Arispie, Berlin, Bureau, Clarion, Concord, Dover, Granville, Greenville, Hall, Indiantown, Leepertown, Macon, Manlius, Milo, Princeton, Selby, Walnut, Westfield, and Wyanet in Bureau County; the Township of Osceola in Stark County. ;

District 7: LaSalle County; and Kendall County.

- (a) To attempt to ensure proportional representation based on area and population: Five Directors shall be elected from District 1; and One Director in each District from Districts 2, 3, 4, 5, 6, and 7,. No more than one Director in District 1 may reside in the same Township. A "Township," for this purpose, shall be the official U.S. Government Survey Township and any and all Municipal Townships shall be disregarded.
- (b) Directors shall be elected for a three-year term and until their successors are elected and qualified
- (c) All Directors must continuously meet the qualifications to become or remain a Director. If at any time during a Director's term, he or she should move his or her residence outside of the District from which he or she was elected, said move shall be considered as a resignation. If he or she should move his or her residence within the same District he or she may continue to serve as a Director unless there is another Director residing in the same Township into which that Director moved, in which case said move shall be considered as a resignation.
- (d) No person shall be eligible to become or remain a Director of the Cooperative:
 - (1) Who is not a Member of the Cooperative; or
 - (2) Whose principal place of residence does not receive electric distribution service from the Cooperative; or
 - (3) Whose election or continued service on the Board violates any of the requirements concerning a single Director per Township as set forth in Article III, Section 2(c) above; or

- (4) Who is an employee, former employee or close relative of an employee, or former employee who is or was financially interested, in any business, firm or corporation that sells any form of energy, directly or indirectly to the Cooperative or others; or
 - (5) Who is an employee, former employee or close relative of an employee or former employee of any Corporation that does business with the Cooperative; or
 - (6) Who is an employee, former employee, or close relative of an employee or former employee of the Cooperative.
- (e) "Close relative", for the purpose of this Article III is intended to include spouse, all children, a spouse of any children, parents, brothers, sisters, uncles and aunts.
- (f) When a membership is held jointly by two individuals, who otherwise meet the qualifications to become a Director, either one but not both of such joint Members may be elected a Director.

Section 3. Nominations and Elections.

(a) It shall be the duty of the Board of Directors to appoint, not less than 120 days nor more than 180 days before the date of a meeting of the Membership at which one or more Directors are to be elected a committee on nominations consisting of 11 Members of the Cooperative, which committee shall be selected with one Member from Districts 2 through 7, inclusive, and 5 Members from District 1, so as to give equitable representation on the committee to the geographical districts of the Cooperative. No officer or Director or any close relative thereof, or any director's tenant or close relative thereof, or any employee of the Cooperative or any close relative thereof or any other person who does not meet the criteria for being a director herein shall be appointed as a Member of such committee on nominations. Each Member shall be notified of the appointment of a Nominating Committee for the election of Directors, and the date and place of the meeting of such committee, at least 5 days prior to the date of such meeting. Notice may be given by one publication of such information not less than 5 days prior to the date of the meeting in Illinois Country Living or such other similar publication of the Association of Illinois Electric Cooperatives or in any one or more newspapers of general circulation published in any county of the State of Illinois wherein any of the electric

distribution lines of the Cooperative are located.

- (b) The committee shall meet together and shall select no more than two nominees for each director to be elected. No Member of said committee when so acting may nominate himself or herself or any other Member of said committee. In selecting a nominee said selection shall give full effect to District representation and shall designate the District from which said nominee shall run for election. A majority of the committee shall constitute a quorum and said selection shall be made by the committee acting and voting as a whole. Not later than 120 days before the meeting of Membership at which said election is to be held, the nominating committee shall file their report which shall be posted or otherwise conspicuously displayed at the principal office of the Cooperative.
- (c) The nominating committee may be reconvened from time to time not later than 90 days before the meeting of Membership to amend its report in case that any nominees should be unable to serve if elected.
- (d) Not later than 60 days before the date of a meeting of the Membership at which one or more directors are to be elected, any fifty (50) Members of the Cooperative by written petition, may propose the name of any qualified Member of the Cooperative as an additional nominee to be voted upon by the Membership, provided that said petition shall state the District from which said nominee seeks to be elected, and such nominee shall only be deemed a candidate from the District so designated. Such nominee must meet the criteria for election as a director set forth in this Article.
- (e) A Member having signed one petition to nominate shall not be eligible to nominate another person to fill the same or similar office. No Member of the nominating committee may thereafter propose the name of any additional nominee by petition.
- (f) The Secretary shall cause to be posted at the principal office of the Cooperative, at the same place where the report of the nominating committee is posted, the names of all persons nominated by petition immediately after the same are filed. Petitions nominating directors other than those nominated by the committee on nominations must be filed at the principal office of the Cooperative not later than sixty (60) days before the time the meeting of the Membership is to be convened. Only persons nominated by the committee on nominations and by petitions duly filed shall stand for election and no write-in vote

shall be considered. No additional nominations shall be made from the floor.

- (g) Each candidate for director, whether nominated by the committee on nominations or by petition, shall furnish reasonable biographical information to the Cooperative so that the biographical information on the director may be published in the annual meeting booklet.
- (h) Ballots shall be prepared by the Secretary or by some person under his direction which shall contain the names of all persons nominated by committee and by petition as provided herein. In each instance the ballot shall state the office for which the Member has been nominated to fill, and the District from which he or she is to be elected, and whether nominated by the nominating committee or by petition.
- (i) The Secretary shall mail with the notice of meeting a statement of the number of Directors to be elected, the biographical information for each director candidate, the respective term to which they are to be elected, the District from which they are to be elected and shall separately show the nominations by petition. The failure to furnish the biographical information in time for the same to be published may be omitted in the notice of the annual meeting of the Membership without invalidating said notice or the election.
- (j) Where there is no contest for the office of Director within any District, the Director or Directors from that District may, in the discretion of the chairman of the meeting, be elected by a voice vote. If there is a contest in the District for one or more offices, the Members shall vote by secret ballot, voting for not more than one person nominated for each office to be filled.
- (k) A Member is not limited to voting for the nominees from his or her District.
- (l) Except as hereinafter provided for District 1, where there are two or more candidates for any office, the ballots shall be counted separately and the nominee receiving the highest number of votes for each office shall be elected to said office.
- (m) With regard to election of Directors from District 1, where multiple Directors are to be elected, the Director receiving the highest number of votes for each office shall be elected to said office, except, where more than one Director from the same Township is a candidate for the office of Director. In that event, the candidates receiving the highest number of votes, who do not reside in the same

Township shall be elected to the office of Director from District 1.

- (n) Notwithstanding anything in this Article to the contrary, each Member so elected shall be considered a de facto Director until a successor shall be elected and any act of the Board of Directors in which a de facto Director shall participate shall nevertheless be valid and remain in full force and effect until rescinded by a majority vote of the Board of Directors.

Section 4. Vacancies.

Vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors. Directors so elected shall hold office for the remaining portion of the term of the Director leaving the Board. Any vacancies filled by the Board of Directors in the event of the cancellation of the Annual Meeting, as stated in Article II, Section 1, shall hold office until the expiration of the three year term of that seat so as not to affect the staggered election of directors.

Section 5. Compensation; Expenses.

- (a) Directors shall not receive any salary for their services. The Board of Directors by Resolution may fix on a per diem basis a fixed fee for attending meetings of the Board, committee meetings, courses of instruction and state and national meetings and groups or associations of which the Cooperative is a Member, which may include insurance benefits. Directors shall also receive advancement or reimbursement for any travel and out of pocket expenses actually, necessarily and reasonably incurred.
- (b) No close relative of a Director shall be entitled to receive any compensation for serving the Cooperative in any way.

Section 6. Rules and Regulations.

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

Section 7. Accounting System and Audits.

The Board of Directors shall cause to be established and maintained a complete accounting system, which among other things, shall be subject to applicable laws and rules and to the regulations of any regulatory body if and as required by law. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. The Board of Directors shall cause to be published a summary of the audited Financial

Statements in the notice of annual meeting of the Membership. To the extent that the audit report is not available, the Directors shall cause to be published in the notice of the annual meeting of the Membership, non-audited figures which the Directors reasonably believe fairly represent the Cooperative's financial position. Full audit reports shall be available to the Members at the Cooperative's headquarters on request.

Section 8. Removal of Directors.

- (a) Any director missing three or more meetings of the Board of Directors in any one calendar year without reasonable cause may be removed by a majority of the Board of Directors excluding the Director whose incumbency is being voted upon.
- (b) Any Member may bring one or more charges for cause against any one or more Directors by filing with the Secretary such charges in a petition signed by not less than ten percent (10%) of all Members of the Cooperative, which petition shall be set for a special meeting of Members to hear and act upon said charges. The petition shall state the name and address of each Member filing said charges and shall correspond to the name and address as the same appears on the billing record of the Cooperative. It shall further contain a verbatim statement of such charge and shall identify the name of the Director or Directors against whom said charges are made.
- (c) Notice of said charge(s) and a copy of such petition shall be given immediately to the Director being charged;
- (d) No special meeting of the Membership to consider the removal of a Director or Directors shall be held less than 90 days after the specific charges together with the name of the Member or Members making such charges have been furnished in writing to the Director or Directors sought to be removed.
- (e) If more than one Director is charged, the Members shall vote separately on the removal of each Director.
- (f) At said meeting of the Membership, the person or persons bringing the charge or charges against a Director or Directors, may be represented by counsel; may present testimony of witnesses; or may present other evidence in support of said charges.
- (g) The charged Director(s) shall have the same rights to be represented by counsel; present testimony of witnesses; or present other evidence in opposition to refute said charge(s).

- (h) A majority of those Members of the Board of Directors who were not charged with wrongdoing in the pending proceeding shall appoint a hearing officer to conduct said hearing. The hearing officer shall observe the reasonable rules of evidence observed in courts of law in the State of Illinois.
- (i) If a Director shall be removed by action of a majority of the Members attending said Special Meeting, the remaining Board of Directors shall fill said vacancy as in the case of any other vacancies on the Board of Directors.

Section 9. Indemnification of Directors.

The Cooperative shall indemnify any office, director, employee or agent of the Cooperative against all expenses (including attorney's fees) judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the Cooperative and with respect to any criminal action or proceeding if he or she had no reasonable cause to believe that his or her conduct was unlawful.

ARTICLE IV

Meetings of Directors

Section 1. Regular Meetings.

A reorganizational meeting of the Board of Directors shall be held without notice, other than this bylaw, immediately after, and at the same place as, the annual meeting of the Members. In the event of the cancellation of the annual meeting of the Members as stated in Article II, Section 1, the Board of Directors may, by resolution, set a time and place for such reorganizational meeting. A regular meeting of the Board of Directors shall also be held monthly at such time and place in any County of the State of Illinois in which the Cooperative maintains electric transmission and distribution lines, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman or by any three (3) Directors and may be held at any place within or without the State of Illinois selected by the person or persons calling the meeting.

Section 3. Notice.

Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice,

delivered personally or mailed, to each Director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE V

Officers

Section 1. Number.

The officers of the Cooperative shall consist of a Chairman of the Board, Vice Chairman of the Board, President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The office of the 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 of Directors at the annual reorganizational meeting of the Board of Directors. 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 next annual reorganizational meeting or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

Section 3. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 4. Vacancies.

Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board:

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

Section 6. Vice Chairman of the Board.

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

Section 7. Secretary.

The Secretary shall:

- (a) keep the minutes of meetings of the Members and the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of Membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member;
- (e) sign with the Chairman certificates of Membership, the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) have general charge of the books of the Cooperative in which a record of the Cooperative's business is kept;

- (g) keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any Member; and, at the expense of the Cooperative, furnish a copy of the most current Bylaws to any Member upon request of said Member; and
- (h) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 8. Treasurer.

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit 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) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 9. President.

The Board of Directors shall appoint a President of the Cooperative who shall be its manager and Chief Executive Officer. The President shall be subject to the direction and control of the Board of Directors and shall report directly to the Board of Directors. The President shall not be required to be a Member of the Cooperative, nor shall he or she be a Director. The President shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in the President, including, but not limited to, the following:

- (a) The President may sign, with the Secretary or any Assistant Secretary or any other officer of the Cooperative, those legal documents duly authorized by the Board of Directors to be so executed, except where the Board of Directors may expressly delegate that authority to a different officer;
- (b) The President shall perform all duties incident to the office of President and such other duties as may from time to time be assigned by the Board of Directors.

Section 10. Bond of Officers.

The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with

responsibility for the custody of any of its funds or property, to be bonded in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

Section 11. Compensation.

The compensation of any officer shall be determined and fixed by the Board of Directors.

Section 12. 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 and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VI

Contracts, Checks and Deposits

Section 1. Contracts.

Except as otherwise provided in these Bylaws, the Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Cooperative including the borrowing of money which may or may not be secured by mortgage or trust indenture, but not otherwise limited, 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 or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits.

The Board of Directors may from time to time select such bank or banks in which funds of the Cooperative are to be deposited. Other funds of the Cooperative may be invested in any manner not contrary to the provisions of the Laws of the State of Illinois and not contrary to the articles of incorporation.

ARTICLE VII

Evidence of Membership

Section 1. Evidence of Membership.

Membership in the Cooperative shall be evidenced by an official Membership list which shall be in such form and shall contain such information as shall be determined by the Board of Directors not contrary to, or inconsistent

with, the certificate of incorporation of the Cooperative, or these Bylaws.

Section 2. Membership Fee.

The Board of Directors may require the payment of a Membership fee for each Membership when the proposed Membership becomes activated.

ARTICLE VIII

Waiver of Notice

Any Member or Director may waive, in writing, any notice of meetings required to be given by these Bylaws. In case of a joint Membership, a waiver of notice signed by either party shall be deemed a waiver of notice of such meeting by both joint Members. Presence at any meeting, except where the presence of the Member or Director is limited to an appearance to object to or protest form or lack of notice, shall be considered as waiving any notice of said meeting as may otherwise have been required.

ARTICLE IX

Non-Profit Operation

Section 1. Interest or Dividends on Capital

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

Section 2. Patronage Capital in Connection with Furnishing Energy or other Cooperative Services.

- (a) In the furnishing of energy or services to its Members, the Cooperative's operations shall be so conducted in each case that the Members receiving that particular Cooperative Service will, through their patronage, furnish capital for the Cooperative.
- (b) 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 of its Members for all amounts received and receivable from the furnishing of electric energy and/or Cooperative Services in excess of the sum of (a) operating costs and expenses properly chargeable against the furnishing of energy and/ or services; and (b) amounts required to offset any losses incurred during the current or any prior fiscal year. The patronage and capital accounts of each Member shall be separately kept for each type of service received from the Cooperative. Those Members receiving electric

services shall have the patronage and capital accounts separately calculated based upon their electric service patronage. Those Members receiving electric distribution service shall have their patronage and capital accounts separately calculated based upon their electric distribution service patronage. Those Members receiving Cooperative Services other than electricity or distribution services shall have their patronage and capital accounts separately calculated based upon their patronage in connection with the amounts received and receivable from the furnishing of those other Cooperative Services.

- (c) For each individual Cooperative Service so provided, all such amounts in excess of operating costs and expenses ("Margins") from each Cooperative Service, that the Board may designate from time to time at the moment of receipt by the Cooperative are received with the understanding that those Margins are furnished by the Member as capital for the Cooperative. The Cooperative is obligated to allocate by credits to a capital account for each Member all such Margins so earned, separately accounting for the Margins from each type of Cooperative service. The books and records of the Cooperative shall be kept in such a manner that at the end of each fiscal year the amount of such Margins, if any, so furnished by each Member for each type of service set forth herein, is clearly and separately reflected and credited to an appropriate capital account for each Member for each such service.
- (d) All such Margins credited to the capital account of any Member shall be the same status as though those Margins have been paid to the Member in cash in pursuance of a legal obligation to do so and the Member had then furnished the Cooperative corresponding amounts for capital.
- (e) 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, and in the sole discretion of a majority of the Board of Directors, allocated to its Members on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the account of Members as herein provided. In the allocation of other amounts received by the Cooperative under this paragraph, in the sole discretion of a majority of the Board of Directors, the Board may allocate to that separate class of service, such other Margins as are derived from that particular type of Cooperative Service.

- (f) In event of the dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits for each class of Cooperative Service shall be retired to that particular class of Members without priority on a pro rata basis before any payments are made on account of any property rights of Members. The disposition of any fixed assets and/or the good will associated with any particular type of Cooperative Service shall be allocated only to the Members and former Members of that particular class of service. If at any time prior to dissolution or liquidation the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, then capital credited to Members' accounts may be retired in full or in part according to the types of Cooperative Services furnished to the Members. The Board of Directors shall determine the method, basis, priority, order of retirement and classes of service to be retired for all amounts heretofore and hereinafter furnished as capital.
- (g) Capital credited to the account of each Member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor unless the Board of Directors acting under policies of general application shall determine otherwise.
- (h) Notwithstanding any other provisions of these Bylaws the Board of Directors at its discretion shall have the power at any time upon the death of any natural Member, if the legal representative of his Estate shall request in writing that the capital credited to such natural Member 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 natural Member immediately upon such terms, conditions and policies as the Board of Directors may establish from time to time acting under policies of general application; provided, however, that the financial condition of the Cooperative will not be impaired thereby.
- (i) The Members 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 Member and both the Cooperative and the Member are bound by such contract as fully as though each Member had individually signed a separate instrument containing such terms and provisions.

ARTICLE X
Disposition of Property

Section 1. Disposition of Property.

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the Members thereof by the affirmative vote of not less than two-thirds of all the Members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the Members thereof shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative; provided further that the Board may upon the authorization of a majority of the Members of the Cooperative present at a meeting of the Membership, sell, lease, or otherwise dispose of all or a substantial portion of the Cooperative's property to another electric Cooperative doing business in this State pursuant to the Illinois Not-For-Profit Corporation Act; and, provided further, that the Board may, with the authorization of a majority of the Members of the Cooperative, have full power and authority to authorize and approve the merger or consolidation of this Cooperative with or into another cooperative or foreign corporation, being operated on a cooperative basis, and doing business in this State pursuant to the Illinois Not-For-Profit Corporation Act.

Section 2. Rights of Members on Dissolution. Upon dissolution after all debts and liabilities of the Cooperative have been paid, and after 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 current and former Members in the proportion which the aggregate patronage of each since the year 1942 bears to the total patronage of all Members since said year of 1942.

ARTICLE XI
Fiscal Year

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

ARTICLE XII
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, Illinois."

proposed amendment or summary thereof shall be included in the notice of the annual meeting.

ARTICLE XIII

Amendments

Section 1. Amendments to Articles of Incorporation.

The articles of incorporation of the Cooperative may be amended from time to time in the following manner:

- (a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may either be a regular annual meeting or a special meeting of the Membership.
- (b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each Member within the time and in the manner provided in these Bylaws for the giving of notice of meetings of Members. If such meeting be a regular meeting the proposed amendment or summary thereof may be included in the notice of such regular annual meeting.
- (c) At such meeting a vote of the Members shall be taken on the proposed amendment and the proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds (2/3) of the votes entitled to be cast by Members present at such meeting.

Any number of amendments may be submitted to Members, and voted upon by them, at one meeting. After the adoption of the proposed amendment or amendments, the Board of Directors shall authorize the proper officers to take such further steps as may be required by law to effectuate the proposed amendment and amendments to the certificate of incorporation.

Section 2. Amendments to Bylaws.

These Bylaws may be altered, amended or repealed in the following manner:

- (a) The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may either be a regular annual meeting or special meeting of the Membership.
- (b) Written or printed notice setting forth the proposed amendment to these Bylaws or a summary of the changes to be affected thereby shall be given to each Member within the time and in the manner provided in these Bylaws for the giving of notice of meetings of Members. If such meeting be an annual meeting, the

- (c) At such meeting of the Membership, a vote of the Members shall be taken on the proposed amendment and the proposed amendment shall be adopted upon receipt of the affirmative vote of majority of the votes entitled to be cast by the Members at such meeting.