

BOONE ELECTRIC COOPERATIVE BYLAWS INDEX

ARTICLE I Membership

SECTION 1a	Requirements for Class I Membership.	3
SECTION 1b	Acceptance for Membership.	3
SECTION 2	Joint Membership.	3
SECTION 3	Conversion of Membership.	4
SECTION 4	Membership and Service Connection Fees.	4
SECTION 5	Purchase of Electric Energy.	4
SECTION 6	Termination of Membership.	5
SECTION 7	Responsibilities of Members.	5
SECTION 8	Electronic Documents and Actions	6

ARTICLE II Rights and Liabilities of Members

SECTION 1.	Property Interest of Members.	7
SECTION 2.	Non-liability for debts of the Cooperative.	7

ARTICLE III Meetings of Members

SECTION 1.	Annual Meeting.	7
SECTION 2.	Special Meetings.	8
SECTION 3.	Notice of Members' Meeting.	8
SECTION 4.	Quorum.	8
SECTION 5.	Voting.	8
SECTION 6.	Proxies.	9
SECTION 7.	Order of Business.	9

ARTICLE IV Directors

SECTION 1.	General Powers.	9
SECTION 2.	Election and Tenure of Office.	10
SECTION 3.	Qualifications.	10
SECTION 3a.	Area Served To Be Divided Into Districts.	11
SECTION 4.	Nominations.	12
SECTION 5.	Removal of Directors by Members.	13
SECTION 6.	Vacancies.	13
SECTION 7.	Compensation.	13

ARTICLE V Meeting of Directors

SECTION 1.	Regular Meetings.	13
SECTION 2.	Special Meetings.	14
SECTION 3.	Notice of Directors Meetings.	14
SECTION 4.	Quorum.	14
SECTION 5.	Meetings by Conference Telephone or Similar Communications Equipment.	14

ARTICLE VI Officers	
SECTION 1. Number.	15
SECTION 2. Election and Term of Office.	15
SECTION 3. Removal of Officers and Agents by Directors.	15
SECTION 4. President.	15
SECTION 5. Vice President.	16
SECTION 6. Secretary.	16
SECTION 7. Treasurer.	17
SECTION 8. General Manager/CEO.	17
SECTION 9. Bonds or Officers.	17
SECTION 10. Compensation.	17
SECTION 11. Reports.	17
SECTION 12. Indemnification.	18
ARTICLE VII Patronage Capital	
SECTION 1. Non-Profit Operation, Interest or Dividends Prohibited.	18
SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.	18
ARTICLE VIII Disposition of Property	
SECTION 1.	20
SECTION 2.	21
SECTION 3.	21
SECTION 4. Transfer to Subsidiary.	21
ARTICLE IX Seal	21
ARTICLE X Financial Transactions	
SECTION 1. Contracts.	21
SECTION 2. Checks, Drafts, etc.	22
SECTION 3. Deposits.	22
SECTION 4. Change in Rates.	22
SECTION 5. Fiscal Year.	22
SECTION 6. Unclaimed Monies.	22
ARTICLE XI Miscellaneous	
SECTION 1. Waiver of Notice.	23
SECTION 2. Rules and Regulations.	23
SECTION 3. Accounting System and Reports.	23
SECTION 4. Cooperative's Right to Collect Amounts Owed.	23
ARTICLE XII Amendments	24

ARTICLE I

Membership

SECTION 1a. Requirements for Class I Membership.

Any person, firm, association, corporation, or body politic or subdivision thereof may become a Class I member of Boone Electric Cooperative, Inc. (hereinafter called the “Cooperative”) by:

- (a) making a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Conversion and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors;
- (d) paying the membership fee hereinafter specified.

SECTION 1b. Acceptance for Membership.

No person, firm, association, corporation, or body politic or subdivision thereof shall become a member unless and until he/she or it has been accepted for membership by the Board of Directors or the members. 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.

At each meeting of the members all applications received more than ninety days prior to such meeting which have not been accepted or which has been rejected by the Board of Directors shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days written notice of the date of the members’ meeting to which his application will be submitted, and such applicant shall be entitled to be present and heard at the meeting.

SECTION 2. Joint Membership.

A legally married couple may apply for a joint membership and, subject to their compliance with the requirements set forth in Section I of this Article, may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include a legally married couple holding a joint membership and any provision relating to the rights and liabilities of the 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 have the effect of revolving a proxy

- executed by either or both and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
 - (c) A proxy executed by either or both shall constitute one joint proxy;
 - (d) A waiver of notice signed by either or both shall constitute a joint waiver;
 - (e) Notice to either shall constitute notice to both;
 - (f) Expulsion of either shall terminate the joint membership;
 - (g) Withdrawal of either shall terminate the joint membership;
 - (h) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.
 - (i) Neither spouse shall be allowed any additional electric service locations except through the joint membership.

SECTION 3. Conversion of Membership.

(a) An individual membership may be converted to a joint membership upon the written request of the holders thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by the Board of Directors. All capital credits, rights, interests, debts or obligations of the original individual membership will, after conversion, be transferred and jointly assigned to the parties named in the new joint membership.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. However, the estate of the deceased shall not be released from any debts owed to the Cooperative.

SECTION 4. Membership and Service Connection Fees.

The membership fee shall be such amount as the Board of Directors by resolution establishes from time to time. In addition to the membership fee, the Board of Directors, in its discretion, but acting under policies of general application shall have the right to require that its members, or any of its members, shall deposit with the Cooperative an initial amount for each connection as a guarantee of payment of future service charges, and additional amounts for each connection as a service connection fee. Upon the payment of the membership fee, together with any additional amounts required, an applicant shall be eligible for one service connection.

SECTION 5. Purchase of Electric Energy.

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly at rates which shall from time to time be

fixed by the Board of Directors; provided, however, that the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 6. Termination of Membership.

(a) A member shall withdraw from membership upon either (1) ceasing to (or, with approval of the Board of Directors, resigning his membership in favor of another person who shall) directly occupy or use all premises being furnished electric service through his membership, or (2) abandoning totally the use of central station electric service on all such premises; provided that no such temporary abandonment shall relieve the member of the obligation specified in Section 5. The Board of Directors of the Cooperative, may, by the affirmative vote of not less than two-thirds (2/3) of all Directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors. The membership of a member who, for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase electric energy from the Cooperative, shall be cancelled by resolution of the Board of Directors.

(b) Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate, which termination shall be forthwith recorded on the books of the Cooperative. Termination of membership in any manner shall not release member or his estate 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 the membership fee and any other deposits paid by him, provided, however, the Cooperative shall deduct from these amounts the amount of any debts or obligations owing from the member to the Cooperative.

SECTION 7. Responsibilities of Members.

Each member shall cause all premises covered by his membership to become and remain wired in accordance with the specifications contained in the National Electrical Code or as otherwise specified by the (State) Fire Insurance Underwriters Association, the county and/or city of the member's residence, or by the Cooperative. The Cooperative will not assist or be responsible for wiring of the premises, or for inspection of the premises to

determine viability of the wiring therein. The Cooperative shall design and install its facilities in accordance with the National Electrical Safety Code and any design or engineering requirements of the Rural Electrification Administration. The Cooperative shall deliver its electricity and interconnect its neutral with that of the member for purposes of safety. In no event shall responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity, or beyond the point at which its neutral interconnects with that of the member at the meter loop used on member's premises. The member shall be responsible for installing any devices protecting him, his family, or his property from the normal operating characteristics of electric service provided by the Cooperative.

SECTION 8. Electronic Documents and Actions.

(a) As used in these bylaws, the following terms shall have the meaning set forth herein:

1. "Electronic" and "Electronically" mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
2. To sign an "Electronic Document" means, with present intent to authenticate or adopt the Electronic Document, to attach to, or logically associate with, the Electronic Document an Electronic sound, symbol, or process; and
3. "Electronic Signature" shall mean an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
4. "Electronic transmission" includes transmission through: (i) Electronic mail; (ii) the Cooperative's website; or (iii) a website or information processing system that the Cooperative has designated or uses to send, receive, or transmit Electronic Documents or Electronic information, or to Electronically conduct an action, transaction or activity.

(b) If a member has reasonable access to the applicable or necessary hardware and software, then the member may choose to transact certain business with the Cooperative in an electronic format. In such event:

1. The member consents and agrees to: (i) use, accept, send, receive, and transmit a record, notice, communication, comment, contract with an Electronic Signature or other document regarding an action, transaction or activity with, for, or involving the Cooperative ("Electronic Document"); (ii) Electronically conduct an action, transaction, business, or activity with, for, or involving the Cooperative; and (iii) Electronically give or confirm this consent and agreement;
2. The Electronic Document sent or transmitted to, or received or transmitted from, the member satisfies a requirement that the underlying signature, contract, record, notice, communication, comment, or other document be in writing as otherwise required in these bylaws;

3. Electronically sending or transmitting an Electronic Document to, or receiving or transmitting an Electronic Document from, the member satisfies a requirement that the underlying signature, contract, record, notice, communication, comment, or other document be sent or received personally or by mail.

Except as otherwise provided in these Bylaws, an Electronic Document Electronically sent or transmitted to a member or former member at the member or former member's last known Electronic address is considered sent, received, transmitted, and effective on the date sent by the Cooperative. An Electronic Document Electronically received or transmitted from a member or former member is considered sent, received, transmitted, and effective on the date received by the Cooperative.

ARTICLE II

Rights and Liabilities of Members

SECTION 1. Property Interest of Members.

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

SECTION 2. Non-liability for debts of the Cooperative.

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

ARTICLE III

Meetings of Members

SECTION 1. Annual Meeting.

The annual meeting of members shall be held at such time between January 1 and October 1 of each year, and at such place in the County of Boone, State of Missouri, as the Board of Directors shall by resolution designate, for the purposes of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or ten per centum or more of all members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Boone, State of Missouri, specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meeting.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, subject to the special provisions contained in Article VIII, shall be delivered not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default and duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum.

Two percent of the first 2,000 members and one percent of the remaining members, present in person shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

SECTION 5. Voting.

(a) Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a majority of the members voting thereon in person, by absentee ballot, or by proxy except as otherwise provided by law, the Articles of Incorporation or these Bylaws. Voting by mail will not be allowed.

(b) If a member is unable to attend a meeting of the members, such member may vote upon each matter set forth on the agenda to be submitted at the meeting by absentee ballot. Absentee ballots shall only be available to a member at the Cooperative offices no more than twenty-five (25) nor less than ten (10) days prior to the meeting of members at which each matter is to be submitted. The absentee ballot shall be voted upon receipt at the Cooperative's offices and shall be identical to the ballot to be utilized at the applicable meeting of members except that it shall be expressly marked as an absentee ballot.

SECTION 6. Proxies.

A member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid after sixty days from the date of its execution. No proxy shall be valid unless it shall designate the particular meeting at which it is to be voted and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may give his proxy only to an adult relative living in the same house with such member and no person may hold more than one proxy at any meeting. The presence of a member at a meeting shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

SECTION 7. Order of Business.

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

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

ARTICLE IV

Directors

SECTION 1. General Powers.

The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office.

The persons named as Directors in the Articles of Conversion shall compose the Board of Directors until the first annual meeting following the conversion of the Cooperative under the Rural Electric Cooperative Act or until their successors shall have been elected and shall have qualified. Beginning with the first annual meeting of the Cooperative following its conversion held in 1947, the Directors of the Cooperative shall be divided into three classes, each of which shall consist of three Directors. The terms of office of the Directors of the first class elected at the annual meeting in 1947, shall expire at the next succeeding annual meeting; the terms of the office of the Directors of the second class elected at the annual meeting in 1947, shall expire at the second succeeding annual meeting; the terms of office of the directors of the third class elected at the annual meeting in 1947, shall expire at the third succeeding annual meeting. At each annual meeting after the annual meeting held in 1947, three Directors shall be elected by ballot by and from the members to serve until the third succeeding annual meeting of the members or until their successors shall have been elected and shall have qualified.

If an election of Directors shall not be held on the date designated herein for 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 practicable. Directors may be elected by a plurality vote of the members present in person, by absentee ballot, or by proxy.

SECTION 3. Qualifications.

To be eligible to become or remain a Director of the Cooperative any such person must:

- (a) be an individual with the capacity to enter into legally binding contracts;
- (b) be a member of the Cooperative and bona fide resident of the geographical area served by the Cooperative;
- (c) not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy, services or supplies to the Cooperative or any of its subsidiaries, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (d) be a Cooperative member in good standing by not being on a list for disconnection of electric service for nonpayment of a delinquent debt to the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director;
- (e) not have a Close Relative who is an employee of the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director.
- (f) not be an applicant for employment;

- (g) not be employed by the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director; and
- (h) not be engaged in a personal relationship with a fellow director or an employee of the Cooperative or any subsidiary thereof that could, in the sole judgment of the Board of Directors, interfere with the Director's independent judgment, disrupt or negatively impact the workplace, undermine members' confidence in the operations of the Cooperative, or reasonably create the appearance of a conflict of interest.

The term "Close Relative" shall mean Wife, Husband, Son, Daughter, Father, Mother, Grandfather, Grandmother, Brother, Sister, Grandson, Granddaughter, Father-in-law, Mother-in-law, Brother-in-law, Sister-in-law, step-children and any person cohabitating or living within the same household of a director. This bylaw section will not apply to Close Relatives as defined above who are employed full-time by the Cooperative as of July 13, 2007.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such Director from office by a majority vote of the remaining directors. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meetings of the Board of Directors.

SECTION 3a. Area Served To Be Divided Into Districts.

For the purpose of providing equitable geographic representation on the Board of Directors, the area served shall be divided into three districts, each of which shall be represented by not more than three Directors. The districts shall be as follows:

DISTRICT 1:

Shall be that portion of service area lying in:

Township 53 North, Range 14 West, 13 West and 12 West; Township 52 North, Range 14 West, 13 West, 12 West and 11 West; Township 51 North, Range 12 West, 11 West; Township 50 North, Range 12 West, and 11 West.

DISTRICT 2:

Shall be that portion of service area lying in:

Township 51 North, Range 14 West and 13 West; Township 50 North, Range 14 West and 13 West; Township 49 North, Range 15 West, 14 West, 13 West, 12 West, and 11 West; Township 48 North, Range 15 West and 14 West.

DISTRICT 3:

Shall be that portion of service area lying in;

Township 48 North, Range 13 West, 12 West, and 11 West; Township 47 North, Range 14 West, 13 West, 12 West and 11 West; Township 46 North, Range 13 West, 12 West, and 11 West; Township 45 North, Range 13 West, and 12 West.

It is contemplated that on each annual meeting, or meeting held in lieu thereof, that one Director shall be elected from each district for a term of three (3) years.

SECTION 4. Nominations.

It shall be the duty of the Board of Directors to appoint, not less than one hundred and twenty (120) days, nor more than one hundred and eighty days (180) before the date of a meeting of members at which Directors are to be elected, a committee on nominations. The nominating committee shall consist of not less than five nor more than eleven persons who are members who shall be selected from the three director districts of the Cooperative so as to insure equitable representation.

Upon selection of a nominating committee, the members shall be notified by printing the names and addresses of the members of the nominating committee in a publication caused to be sent to the members by the Cooperative. Notification shall be made following the board meeting at which the nominating committee is appointed.

No member of the Board of Directors may serve on such committee.

The nominating committee, keeping in mind the principle of geographical representation, shall prepare and post at the office of the Cooperative, at least sixty (60) days before the meeting, a list of nominations for Directors. For each vacancy occurring on the board, there shall be more than one candidate nominated for that geographical area.

The ballot shall be divided into as many parts as there are vacancies occurring on the Board to assure the election of one board member from each geographical area.

Any group of members equal to or exceeding one-fourth of one percent of the total membership of the Cooperative acting together, keeping in mind the principles of geographical representation, may make other nominations by petition not less than forty-five (45) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the committee is posted. The Secretary shall include in the notice of the meeting a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by petition, if any. No member may nominate more than one candidate by petition.

Any group presenting a petition for nomination of a candidate must declare the vacancy which that candidate will seek. A candidate nominated by petition shall be listed on the ballot for the geographical area in which the nominee resides.

The candidate receiving the most votes from each area will represent that area on the Board of Directors.

SECTION 5. Removal of Directors by Members.

Any member may bring one or more charges for cause against any one or more Directors that may request the removal of such Directors by filing with the Secretary such charges in writing, together with a petition signed by at least ten percent (10%) of the total membership of the Cooperative, which petition calls for a special membership meeting. Any such Director shall be immediately informed in writing of the charges by the Secretary, who shall also then issue notice of such special meeting for such stated purpose to be held no later than forty-five (45) days after the filing of such petition. At any such meeting, the Director or Directors so charged as well as the person or persons bringing the charges against such Director or Directors, shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges. A chairman shall be appointed by the Board of Directors to conduct such special meeting, and such chairman shall not be a member of the Board of Directors of the Cooperative. The Director or Directors can only be removed for just cause, and the question of the removal shall be considered and voted upon at said meeting of the members, and any vacancy created by such removal may be filled by a vote of the members at such meetings without compliance with the foregoing provisions of these bylaws with respect to nominations.

SECTION 6. Vacancies.

A vacancy occurring in the Board of Directors by reason other than removal of a director by the members shall be filled by the affirmative vote of a majority of the remaining Directors to serve until the next annual meeting of members.

SECTION 7. Compensation.

Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a fixed fee for attending meetings of the Board of Directors, which may include expenses of director participation in employee group benefit programs, and a fixed fee for attending other meetings or otherwise performing their duties, which need not be the same as the fee fixed for attending meetings of the Board of Directors. Directors shall also receive advancement of reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties.

ARTICLE V

Meeting of Directors

SECTION 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of

the Board of Directors shall also be held at such time and place as the Board of Directors may provide by resolution. Such 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 President or by any three directors, 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 Directors calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Directors Meetings.

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each Director not less than five days previous thereto either personally, electronically, 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 Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

SECTION 4. Quorum.

A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify the absent Directors of the time and place of such adjourned meeting. 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.

SECTION 5. Meetings By Conference Telephone or Similar Communications Equipment.

Unless otherwise restricted by the Articles of Conversion or by these Bylaws, members of the Board of Directors of the Cooperative, may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

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 Directors from time to time. The office of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office.

The officers shall be elected by ballot, annually by and from the Board of Directors at the meeting of the Board of Directors held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors 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 Directors for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by Directors.

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. In addition any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. President.

The President shall:

- (a) be the principal executive officer of the Cooperative, and, unless otherwise determined by the members or the Board of Directors shall preside at all meetings of the members and the Board of Directors;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, 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 perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors 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 from time to time as may be assigned by the Board of Directors.

SECTION 6. Secretary.

The Secretary shall:

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of 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 corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents and instruments, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws or as required by law
- (d) keep, or cause to be kept, an official register or list of the membership containing the names and post office addresses of all members;
- (e) have general charge of the books of the Cooperative;
- (f) keep, or cause to be kept, on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative, furnish a copy of such documents upon request to any member;
- (g) keep, or cause to be kept, a written description of the three (3) voting districts as constituted by the Board from time to time; 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 7. Treasurer.

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys 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 by the Board of Directors.

SECTION 8. General Manager/CEO.

The Board of Directors may appoint a general manager/CEO who may be, but who shall not be required to be, a member of the Cooperative. The general manager/CEO shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in them.

The general manager/CEO of this Cooperative shall not hire any member of their immediate family. (The term "immediate family" shall be defined as spouse or children.)

SECTION 9. Bonds or 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 give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

SECTION 10. Compensation.

The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors, subject to the provisions of these bylaws with respect to compensation for Directors and Close Relatives of Directors.

SECTION 11. Reports.

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

SECTION 12. Indemnification.

The Cooperative shall indemnify present and former Directors, officers, agents and employees against liability, including attorney fees, judgments, costs, fines and amounts in settlement, actually and reasonably incurred, to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or not against the best interests of the Cooperative. The Cooperative may purchase insurance to cover the indemnification.

ARTICLE VII

Patronage Capital

SECTION 1. Non-Profit Operation, Interest or Dividends Prohibited.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefits of its patrons. The Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.

In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time at the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

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

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

After January 1, 1980, and thereafter, the Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

Provided further, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the accounts of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for a separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons, (c) provide for appropriate notification to patrons with respect to the power supply portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

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

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 patron who was a natural person, if the legal representative of 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 Directors acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Notwithstanding any other provisions of these bylaws, upon the occurrence of a terminated membership owing to the Cooperative an uncollectable debt subject to write-off, the Board of Directors may in its discretion, in addition to all other legal remedies available at law or equity, satisfy such debt or a portion thereof by retiring the capital credited to any such membership prior to the time such capital would otherwise be retired under the provisions of these bylaws, on a discounted present value basis, using as a ratio

multiplier such percentage as shall be determined by the Board of Directors acting under policies of general application; provided however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledges that the terms and provisions of the Articles of Conversion and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII

Disposition of Property

SECTION 1.

The Cooperative may not sell, mortgage, lease, lease-sale, exchange, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, lease-sale, exchange or other disposition or encumbrance is authorized at a meeting of the members therefore by affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, lease-sale, exchange or other disposition or encumbrance shall have been contained in the notice of the meeting. All proposals for sale, mortgage, lease, lease-sale, exchange or other disposition or encumbrance of all or a substantial portion of the Cooperative's assets shall be first submitted in writing to the Board of Directors of the Cooperative. If the Board of Directors looks with favor upon any such proposal, the Board shall first cause three (3) independent appraisers, expert on such matters, to render their individual written opinions as to the value of Cooperative asset which are the subject of any such proposal. The three (3) appraisers shall be designated by a resident circuit court judge for the judicial circuit in which the Cooperative's headquarters are located, and in the event any or all such judges refuse to make such designations, they shall be made by the Board of Directors. If the Board of Directors, after receiving such appraisals, determines that the proposal should be submitted for consideration by members, it shall first give every other rural electric cooperative corporation sited and operating in the State of Missouri an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such rural electric cooperative corporations, which notice shall be attached to a copy of the proposal under consideration by the Board, and a copy of the reports of the three (3) appraisers. Such rural electric cooperative corporations shall be given not more than forty-five (45) days. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposals, it shall so notify the members, expressing in detail each of any such proposals, and shall then call a special meeting of the members for consideration thereof, or alternatively schedule consideration thereof at the next annual meeting of members, but in no event can this special or annual

meeting be held less than twenty-five (25) days after the giving of such notice to the members.

SECTION 2.

The foregoing provisions shall not apply to a sale, mortgage, lease, lease-sale, exchange, or other disposition or encumbrance to one or more other rural electric cooperative corporations if the substantive effect thereof is to merge or consolidate with such other rural electric cooperative corporation or corporations.

SECTION 3.

Notwithstanding anything herein contained, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or deed or deeds of trust upon, whether 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 where situated, as well as the revenues and income therefrom all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any bank or other financial institution of organization.

SECTION 4. Transfer to Subsidiary.

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

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, Missouri."

ARTICLE X

Financial Transactions

SECTION 1. Contracts.

Except as otherwise provided in these bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver an

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 notices, bonds or other evidence 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.

All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in the name of the Cooperative in such bank or banks or in such financial institutions or securities or affiliated Cooperative organizations as the Board of Directors may select.

SECTION 4. Change in Rates.

Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America, if required by the term of any Mortgage or Deed of Trust or other financial note, not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

SECTION 5. Fiscal Year.

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

SECTION 6. Unclaimed Monies.

Notwithstanding any provisions herein contained to the contrary, any member, former member, or other patron who fails to claim any capital credits, patronage refunds, utility deposits, membership fees, or account balances within two (2) years after payment thereof has been made available to such person shall have made an irrevocable assignment and gift to the Boone Electric Community Trust of such unclaimed monies, after offsets for any outstanding amounts due and owing to the Cooperative from said person. The Cooperative shall publish a yearly notice that the Cooperative is holding a monetary interest in monies belonging to members and former members in the form of unclaimed capital credits, including the years said capital credits were made available, patronage refunds, utility deposits, membership fees, or account balances. The notice shall also contain an explanation of how the members and former members may contact the Cooperative to inquire about their accounts.

ARTICLE XI

Miscellaneous

SECTION 1. Waiver of Notice.

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

SECTION 2. Rules and Regulations.

The Board of Directors shall have the power to make, adopt, amend and rescind from time to time such rules and regulations as are not inconsistent with law, the Articles of Incorporation, or these Bylaws, as the Board may deem advisable for the management of the business and affairs of the Cooperative. Any such rules and regulations shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract as fully as though each patron had individually signed a separate instrument containing such rules and regulations as terms and provisions thereof.

SECTION 3. Accounting System and Reports.

The Board of Directors shall cause to be established and maintain 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 account 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 Directors shall also 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. Such audit report shall be the foundation of any officers' reports submitted to the membership at the next following annual meeting, but the audit report itself need not be submitted to the member at the next annual meeting.

SECTION 4. Cooperative's Right to Collect Amounts Owed.

By doing business with the Cooperative, all members agree that in the event that it is necessary for the Cooperative to hire outside agencies, consultants or attorneys to pursue collection activities for amounts owed by members to the Cooperative, the member agrees to pay to the Cooperative all of the Cooperative's costs for such outside agencies and consultants in addition to the amount of the bill originally owed by the member. Further, all members grant a security interest to the Cooperative in all monies including deposits, capital credits and other refunds that may be due the member, in favor of the Cooperative to secure payment of any and all amounts owed by member to Cooperative

including the cost of collection efforts. Prior to refunding any capital credits, overpayment or deposit, the Cooperative shall be entitled to offset such payment against any amounts owed by member to the Cooperative including the cost of collection efforts.

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.