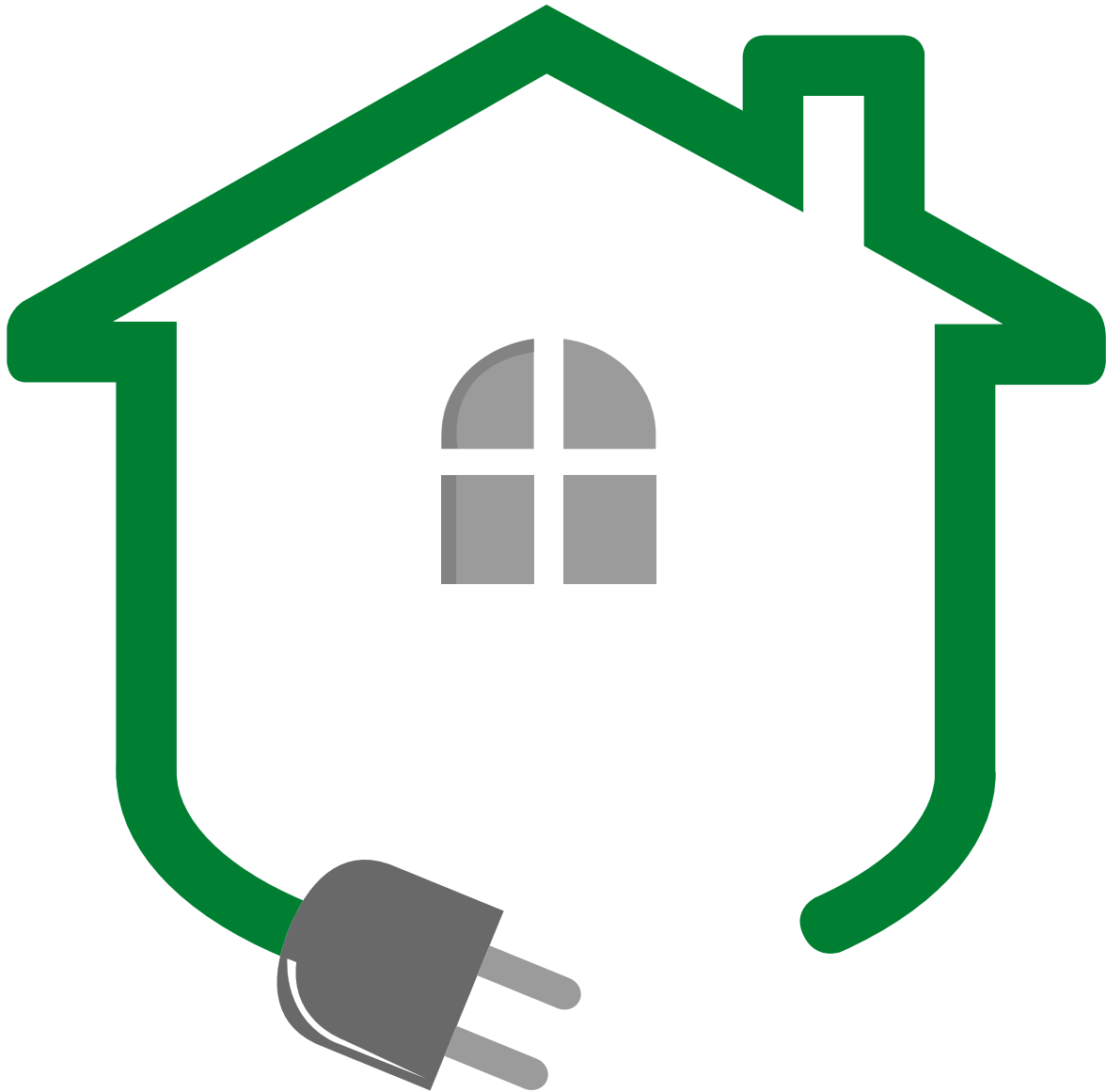




Clinton County Electric Cooperative, Inc.

Your Touchstone Energy® Partners
The power of human connections®



BYLAWS

YOUR COOPERATIVE AT WORK

Article I Membership

Section 1.01. Eligibility.

(a) **Regular Membership** - Any person or legally existing entity (hereinafter "Applicant") is eligible to become a regular member of the Clinton County Electric Cooperative, Inc., (hereinafter called the "Cooperative"), by:

- (1) completing and executing a written application for Membership on prescribed forms;
- (2) agreeing to purchase from the Cooperative electric energy and/or electric distribution services as hereinafter specified;
- (3) complying with all requirements of the Cooperative's Articles of Incorporation, bylaws, policies and any rules and regulations of the Cooperative adopted by the Board of Trustees (hereinafter "Board");
- (4) paying a Membership fee (if required); and
- (5) providing documentation of legal existence and good standing (if requested to do so).

For business related memberships, examples of "legally existing entity" and requirements for documentation of same include:

- sole proprietor and partnership (assumed named certificate per 805 ILCS405/0.01 et. seq.)
- corporation (certificate of good standing and designation of authorized agent)
- limited liability company (documentation designating manager)
- limited partnership and limited liability partnership (documentation designating the managing partner/authorized agent)
- trusts where the grantor is not the trustee (documentation of the trustee's appointment and FEIN for the trust.)

(b) **Associate Membership** - Any Applicant is eligible to become an Associate Member of Clinton County Electric Cooperative, Inc., upon receipt of services from any entity owned in whole or in part by the Cooperative, Inc. ("the subsidiary"), by:

- (1) completing and executing a written application for membership in the cooperative and the subsidiary on the prescribed forms;
- (2) complying with all requirements of the Cooperative's and subsidiary's Articles of Incorporation, bylaws, policies and any rules and regulations of the Cooperative adopted by the Board of Trustees (hereinafter "Board");
- (3) paying a membership fee (if required); and
- (4) providing documentation of legal existence and good standing (if requested to do so).

(c) **Assignment/Transfer** - No Member may hold more than one Membership or Associate Membership in the Cooperative, or any subsidiary and memberships are not assignable or transferable without the consent of the Board of Trustees.

(d) **Definition of Member** - "Member" as used in these Bylaws includes all Regular Members and Associate Members within any membership class described herein.

(e) **Termination/Suspension of Membership** - Membership begins upon acceptance by the Cooperative of the application submitted and usage, receipt or purchase of a Cooperative service by the applicant. Membership continues until the member requests termination or the Board determines the member has failed to comply with the terms of membership as required by this Section. In the event of involuntary termination/suspension, any amounts due to the member shall be returned after offset of any and all amounts due from the member to the Cooperative including but not limited to payment for services received, late payment charges, interest and penalties assessed for noncompliance.

(f) **Membership Classes** - The Board may develop (by policy) member classes within Regular Membership and Associate Membership groups as necessary to equitably allocate expenses, margins and capital credits among those receiving Cooperative services so long as compliant with federal, state and local laws and ordinances in addition to lender requirements.

Section 1.02. Certificate of Membership. Membership in the Cooperative may, if the Board so resolves, be evidenced by a Certificate of Membership, which shall be in such form and shall contain such provisions as shall be determined by the Board.

Section 1.03. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The Membership fee together with any service security deposit or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof shall be determined by Board policy.

Section 1.04. Joint Membership. Members of legal age residing at a single location may, by requesting in writing, create a joint membership. The words "Member," "Applicant," "person," "his" and "him" as used in these Bylaws, shall include joint members and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them.

- a) The presence at a meeting of any one joint tenant shall constitute the presence of one member and serve as a waiver of notice of the meeting as to all joint tenants;
- b) The vote of any joint tenant shall constitute one vote of the joint membership;
- c) Notice to, or waiver of notice signed by, any joint tenant shall constitute, respectively, a joint notice or waiver of notice;
- d) Suspension or termination in any manner of any joint tenant shall constitute, respectively, suspension or termination of the joint membership;
- e) Any joint tenant shall be eligible to serve as a Trustee of the Cooperative, but only if all joint tenants meet the requirements to serve as trustee.

Section 1.05. Conversion of Membership.

- a) A membership may be converted to a joint membership upon the written request of the member.
- b) Upon the death of a joint tenant, the remaining joint tenant(s) acquires the interest of the deceased joint tenant as a right of survivorship and such membership shall be held solely by the survivors. The estate of the deceased is not released from any debts due the Cooperative and any capital credits due to the decedent's estate shall become the property of the surviving joint tenants equally.
- c) In case of divorce, annulment, or dissolution of a joint membership, the membership may only be continued in the name of any one of the joint members. Unless ownership is determined by any court of competent jurisdiction, then the surviving membership shall be determined by written agreement of the joint tenants and shall include the disposition of all capital credits assigned or then earned but not assigned. If the parties cannot agree on the surviving membership, then the joint membership is terminated and the member desiring to continue service shall execute a new membership agreement. All capital credits to which these Members may then be entitled shall remain credited in the capital account in the names of all joint members, subject to transfer only by written order of all joint members, or court order.

- d) Upon the death of the member, all amounts due to the deceased member, including the refund of deposits and accrued capital credits shall be paid to the personal representative of the decedent's estate or as indicated on an Illinois Small Estate Affidavit prepared and executed by the personal representative of the decedent's estate after deduction for all debts and obligations owed by the member.

Section 1.06. Purchase of Electric Power and/or Services; Power Production by Member; Application of Payments to All Accounts. The Cooperative shall use ordinary care to furnish its members with adequate and dependable electric service but does not guarantee a continuous and uninterrupted supply thereof. Each member shall purchase from the Cooperative all electric energy consumed and all electric power distribution services required by the member for that service at rates fixed by the Board of Trustees.

Member owned renewable energy and/or stand by generation for use on the member's premises interconnected with the Cooperative's facilities, is subject to the Cooperative's net metering and interconnection/distributed generation policies. Each member remains liable for any facilities charge or other charges necessary for the delivery of electric power to the member whether or not power is consumed. Payments for service may be allocated on a pro-rata basis to the member's outstanding accounts for all service provided at all locations within the Cooperative's service area.

Section 1.07. Excess Payments to be Credited as Member-Furnished Capital. All amounts paid for electric energy, power distribution services and/or associated electric services in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished on the capital account records of the Cooperative.

Section 1.08. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to the membership to comply with the specifications of the Illinois Fire Marshal's office or its successor agency, the National Electric Code, any applicable state code or local government ordinances, and requirements of the Cooperative. Each member shall be responsible for and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each member shall provide reasonable access, as determined by the Cooperative, for installation and maintenance of the Cooperative's facilities necessary to provide and meter electric service and shall permit Cooperative authorized employees, agents and independent contractors safe access to the facilities thereto for meter reading, bill collecting, inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. The member shall use best efforts to maintain and protect Cooperative property from damages and shall not interfere with or impair the operation of the Cooperative or its facilities. This obligation on each member extends to preventing other members from doing so and includes obligation to report activities adversely affecting the Cooperative's ability to provide electric service to its members. Each member agrees to pay to the Cooperative the value of the property damaged or destroyed while in member's possession, natural wear and tear excepted. Each member shall provide protective devices to member's premises, apparatuses or meter base as the Cooperative shall from time to time require necessary to protect the Cooperative's facilities and operation thereof and to prevent any interference with or damage to such facilities. The member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting there from, including but not limited to the Cooperative's cost of repairing, replacing or relocating facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. The Cooperative's duty to provide electric service does not extend beyond the point of delivery.

Section 1.09. Member to Grant Easements to Cooperative.

Each member shall, upon request by the Cooperative, execute and deliver to the Cooperative a grant of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member. The terms of such a grant shall be reasonable, shall be negotiated by the parties with the intent to minimize the Cooperative's use of the premises. The grant shall only be as required for the furnishing of service to members or for the construction, operation, maintenance or relocation of the Cooperative's facilities.

Section 1.10. Non-Liability for Debts of the Cooperative.

Members are not liable or responsible for debts or liabilities of the Cooperative.

Section 1.11. Indemnification. Each member shall indemnify the Cooperative for, and hold the Cooperative harmless from any expenses, costs, liabilities, or damages, including attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative trustee, officer, employee, agent, representative, or contractor, resulting from the member's negligence or failure to comply with the Cooperative's governing documents.

Article II

Membership Suspension and Termination

Section 2.01. Suspension; Reinstatement. Upon Member's failure, after the expiration of the initial time limit prescribed either in a specific notice to such Member or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with Member's Membership obligations, a person's Membership may be suspended; and shall not, during such suspension, be entitled to receive service from the Cooperative or to cast a vote at any meeting of the Members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with Member's Membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the Membership, in which event the Member shall thereafter be entitled to receive service from the Cooperative and to vote at the meetings of its Members.

Section 2.02. Termination by Expulsion; Renewed Membership. Upon failure of a suspended Member to be automatically reinstated to a Membership, as provided in Section 2.01, Member may, without further notice, but only after a hearing if it is requested by Member, be expelled by resolution of the Board of Trustees at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the Members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's Membership shall be reinstated retroactively to the date of Member's expulsion. After any finally effective expulsion of a Member, such person may not again become a Member except upon new application therefor as provided in these Bylaws. The Board of Trustees, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed Membership as it determines to be reasonably necessary to assure the Applicant's compliance with all Member's Membership obligations.

Section 2.03. Termination by Withdrawal or Resignation. A Member may withdraw from Membership upon such generally applicable conditions as the Board of Trustees shall prescribe and upon either (a) ceasing to own or directly occupy or use all premises being furnished service pursuant to Member's Membership, or (b) except when the Board of Trustees specifically waives such condition, abandoning totally and permanently the use of service on such premises.

Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of a natural person Member shall automatically terminate Member's Membership. The cessation of the legal existence of any other type of Member shall automatically terminate such Membership. Neither a withdrawing partner nor Member's estate shall be released from any debts then due the Cooperative.

Section 2.05. Effect of Termination. Upon the termination in any manner of a person's Membership, the person or person's estate, as the case may be, shall be entitled to refund of the Membership fee (and to person's service security deposit, if any, theretofore paid the Cooperative), less any amounts due the Cooperative; but neither the person nor the estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a Member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Trustees shall expressly so elect, constitute such release of such person from the Membership obligations as to entitle the person to purchase from any other person any service for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such Membership.

Section 2.06. Effect of Death, Legal Separation or Divorce Upon a Joint Membership. Upon the death of either holder of a joint Membership, such Membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such Membership had never been joint: PROVIDED, that the estate of the decedent shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint Membership, such Membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such Membership in the same manner and to the same effect as though such Membership had never been joint: PROVIDED, that other holder shall not be released from any debts due the Cooperative.

Section 2.07. Board Acknowledgment of Membership Termination; Acceptance of Members Retroactively. Upon the termination of a Membership for any reason, the Board of Trustees, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased service to such person. Upon discovery that the Cooperative has been furnishing service to any person other than a Member, it shall cease furnishing such service unless such person applies for, and the Board of Trustees approves, Membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its Membership and all related records accordingly.

Article III Meetings of Members

Section 3.01. Annual Meeting. For the purposes of electing Trustees, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the Annual Meeting of the Members shall be held at such time in each year and at such place in one of the counties in Illinois within which the Cooperative serves, and beginning at such hour, as the Board of Trustees shall from year to year fix; PROVIDED that, for cause sufficient to it, the Board of Trustees may fix a different date for such Annual Meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. It shall be the responsibility of the Board of Trustees to make adequate plans and preparations for, and to encourage Member attendance at, the Annual Meeting. Failure to hold the Annual Meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative. Nor shall it affect the validity of any Cooperative action. Action by Members shall be taken at formal meetings.

Section 3.02. Special Meetings. A special meeting of the Members may be called by the Board of Trustees, by the Chairman of the Board, by any four (4) Trustees, or by petition signed by not less than ten (10%) percent

of the Members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Illinois within which the Cooperative serves, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefor is filed, and beginning at such hour as shall be designated by the Chairman or those calling or petitioning for the same. Likewise at special meetings, actions by Members shall only be taken at formal meetings.

Section 3.03. Notice of Member Meetings. Written or printed notice of the place, day and hour of a Member meeting shall be delivered to each Member not less than five (5) days nor more than sixty (60) days before the date of such meeting. In the case of a special meeting or of an Annual Meeting, the purpose or purposes of the meeting, in addition to the above information shall be delivered within the same time period. In the event the purpose of the meeting is (1) removal of one or more Trustees, (2) merger, (3) consolidation, (4) dissolution, or (5) sale, lease or exchange of assets, notice of the meeting shall be delivered to each Member not less than twenty (20) days nor more than sixty (60) days before the date of the meeting. Delivery of notice can be by personal service or by U.S. mail, if directed by the Chairman of the Board or the Secretary. In the case of a special meeting, the person or persons calling said special meeting shall direct the form of notice whether by personal service or U.S. mail. Any such notice delivered by mail may be included with Member service billings or with the Cooperative's newsletter. No action at any Member's meeting requiring affirmative votes of at least two-thirds of the Members present is valid unless notice of such proposed action is contained in the notice of the meeting. Notice by U.S. mail is deemed delivered when deposited in the U.S. mail, addressed to the Member at the Member's address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked within the notice requirements provided above. The date of the meeting shall not be counted for purposes of this calculation. The incidental and non-intended failure of any Member to receive a notice deposited in the U.S. mail as provided above shall not invalidate any action taken by the Members at any such meeting. The attendance in person of a Member at any meeting of the Members shall constitute a waiver of notice of such meeting unless said Member is challenging the validity of such meeting. Any Member attending any meeting for the purpose of objecting to the validity of the meeting shall notify the Secretary of the Member's objection prior to said meeting. 80ILCS 105/107.15.

Section 3.04. Quorum. Business may not be transacted at any meeting of the Members unless there are present in person at least one (1) percent of the Cooperative's Members, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than forty (40) days later and to any place in one of the counties in Illinois within which the Cooperative serves: PROVIDED, that the Secretary shall notify any absent Members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the Members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those Members who were registered as present in person.

Section 3.05. Voting. Each regular Member who is not in a status of suspension, as provided for in these Bylaws, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the Members. Voting by Members other than Members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each Member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the Members, all questions shall be decided by a majority of the Members voting thereon, except as otherwise provided by law or by these Bylaws. Members may not cumulate their votes.

Section 3.06. Order of Business. The order of business at the Annual Meeting of the Members and, insofar as practical, 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) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (3) Reading of unapproved minutes of previous meetings of the Members and the taking of necessary action thereon;
- (4) Presentation and consideration of reports of Officers, Trustees and committees;
- (5) Election of Trustees;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

Notwithstanding the foregoing, the Board of Trustees or the Members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business: PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

Article IV Trustees

Section 4.01. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine (9) Trustees. The Board shall exercise all of the powers of the Cooperative except as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the Members.

Section 4.02. Qualifications. No person shall be eligible to become or remain a Trustee of the Cooperative who is a close relative of an incumbent Trustee or of an employee of the Cooperative or is not a Member in good standing of the Cooperative and receiving service therefrom at Member's primary residential abode: PROVIDED, that the operating or chief executive of any Member which is not a natural person, such as a corporation, church, etc., or designee, shall, notwithstanding that such person does not receive service from the Cooperative at Member's primary residential abode, be eligible to become a Trustee, from the Trustee District in which such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Cooperative, and (2) is a permanent and year-round resident within or in close proximity to an area served by the Cooperative; BUT PROVIDED FURTHER, that no more than one (1) such person may serve on the Board of Trustees at the same time. No person shall be eligible to become or remain a Trustee of, or to hold any other position of trust in, the Cooperative who is not at least eighteen (18) years of age or is in any way employed by or financially interested in a competing enterprise.

Upon establishment of the fact that a nominee for Trustee lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding a Trusteeship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Trustees to withhold such position from such person, or to cause such person to be removed therefrom, as the case may be. Nothing contained in this Section shall or shall be construed to, affect in any manner whatever the validity of any action taken at any meeting of the Board of Trustees, unless a Trustee has failed to disclose Trustee's interest in the action, failed to abstain from the vote on it, and the action is unfair to the Cooperative.

Section 4.03. Election. At each Annual Meeting of the Members, Trustees shall be elected by secret written ballot by the Members and, except as provided in the first provision of Section 4.02 of these Bylaws, from among those Members who are natural persons: PROVIDED, that, when the number of nominees does not exceed the number of Trustees to be elected from a particular Trustee District, and if there is no objection, secret written balloting may be dispensed with in respect of that particular election and voting may be conducted in any other proper manner. Trustees shall be elected by a plurality of the votes cast unless the Members, prior to the balloting, resolve

that a majority of the votes cast shall be required to elect, and this Bylaw provision shall be brought to their attention and explained prior to any balloting. Drawing by lot shall resolve, when necessary, any tie votes.

Section 4.04. Tenure. Trustees shall be so appointed or elected that one Trustee from each Trustee District shall be elected for a three-year term at each Annual Member Meeting. Upon their election, Trustees shall, subject to the provisions of these Bylaws with respect to the removal of Trustees, serve until the Annual Meeting of the Members of the year in which their term expires or until their successors shall have been elected and shall have qualified. If for any reason an election of Trustees shall not be held at an Annual Meeting of the Members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next Annual Meeting of the Members. Failure of an election for a given year shall allow the incumbents whose Trusteeships would have been voted on to hold over only until the next Member meeting at which a quorum is present.

Section 4.05. Trustee District. The territory served by the Cooperative shall be divided into three (3) Trustee Districts. Each District shall be represented by three (3) Trustees, and the Districts are described as follows: DISTRICT 1 shall include Members located in the following Cooperative map numbers: A6, A7, B5, B6, B7, C5, C6, C7, D4, D5, and D6. DISTRICT 2 shall include Members located in the following Cooperative map numbers: B1, B2, B3, B4, C1, C3, and C4. DISTRICT 3 shall include Members located in the following Cooperative map numbers: C2, D1, D2, D3, E1 and E2. If the Cooperative should extend its service into an area not included in any of the foregoing Districts, the Board of Trustees shall provide by resolution for such area to become a part of one of said Districts. By resolution, the Board of Trustees may change the boundaries of the Districts as herein established, provided it does not displace any currently elected trustee.

Section 4.06. Nominations. It shall be the duty of the Board of Trustees to appoint, more than ninety (90) days before the date of a meeting of the Members at which Board Trustees are to be elected, a committee on Election and Credentials consisting of not less than five (5) nor more than nine (9) Members with at least one (1) Member from each district from which a Trustee is to be elected. No employee, Trustee, Officer, known candidate, or close relative (as hereinafter defined) of any of the above, may serve on such committee. The purpose of the committee is to review the qualifications of petitioning nominees and to conduct the election of Trustees. To be nominated by petition, a candidate for Trustee must file a petition for nomination signed by at least twenty-five (25) Members, but not more than fifty (50) Members. Signatures may come from the entire Cooperative Membership. A joint Membership constitutes only one Member. Nominations by petition must be picked up and filed not more than ninety (90) days nor less than forty-five (45) days before the date of a meeting of the Members at which Trustees are to be elected. The Election and Credentials Committee, or subcommittee of same, must meet to determine if the candidates meet the qualifications for Trustee. Upon establishment of the fact that a nominee for Trustee lacks eligibility under these Bylaws, it shall be the duty of the Election and Credentials Committee to disqualify such nominee. If there are no nominations by Petition for Trustee in any district in which a Trustee is to be elected, it is the duty of the Board of Trustees to appoint a Member to serve in that position. At least thirty (30) days prior to the meeting of Members, the Election and Credentials Committee shall certify a list of nominees for Trustee to the Secretary. The Secretary shall then post at the principal office of the Cooperative, at least thirty (30) days prior to the meeting of Members, a list of the nominations for Trustee to be elected, listing separately the nominee(s) for each Trustee district. The Secretary shall also be responsible for mailing, with the Notice of Meeting or separately, but at least five (5) days before the date of the meeting, a statement of the number of Board Members to be elected and the names and addresses of the nominees. No nominations may be made from the floor. Nominees' names from the same district may be rotated on the ballot so that each nominee's name is on the ballot in the same position as equal number of times as possible. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election

of Trustee. The Election and Credentials Committee shall elect its own chairman and secretary at its initial meeting. It shall be the responsibility of the committee to establish or approve the manner of conducting any ballot or other voting, to pass upon all questions that may arise with respect to registration of Members in person, to count all ballots or other votes cast in any election or in any other manner, to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast, to rule upon all questions that may arise relating to Member voting in the election of Trustees and to pass upon any protest filed with respect to election or to conduct effecting the result of the election. In exercising the responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed not more than three (3) business days following the adjournment of the meeting in which the voting is conducted. The committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set aside. The committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. The committee may not affirmatively act on any matter unless a majority of the committee is present.

Section 4.07. Voting for Trustees; Validity of Board Action. In the election of Trustees, each Member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the total number of Trustees to be elected, but no Member may vote for more nominees than the number of Trustees that are to be elected from or with respect to any particular Trustee District. Ballots marked in violation of the foregoing restriction with respect to one or more Trustee Districts shall be invalid and shall not be counted with respect to such District or Districts. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Trustees after the election of Trustees.

Section 4.08. Removal of Trustees. Any Member may bring charges for cause against a Board Member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten (10) percentum of the Members may request the removal of such a Board Member by reason thereof. The charging Member shall present evidence to the Board, which shall decide by majority vote, excluding the charged Member, if there is sufficient cause to justify calling a special meeting of the Members. The question of the removal of a Board Member shall not be voted on by the Members at all unless some substantial evidence in support of the charge or charges against such Board Member shall have been presented to the Board through oral testimony, documents or otherwise. Such Board Member or Members shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the Members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against such Board Member shall have the same opportunity. If there is such evidence, then the question of removal of such Board Member shall be considered and voted upon at the meeting of the Members. An affirmative vote of two-thirds of the votes present and voted shall be required to remove the Board Member. No Board Member shall be removed at a meeting of Members entitled to vote, unless the written notice of such meeting is delivered to all Members entitled to vote on removal of Board Members. Such notice shall state that a purpose of the meeting is to vote upon the removal of one or more Board Member(s) named in the notice. Only the named Board Member or Members may be removed at such meeting. Any vacancy created by such removal may be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nominations. A newly elected Trustee shall be from, or with respect to, the same district as was the removed Trustee and shall serve the unexpired portion of the removed Trustee's term.

Section 4.09. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Trustees by the Members, a vacancy occurring in the Board of Trustees shall be filled by the Board of Trustees. A Trustee thus elected shall serve out the unexpired term of the Trustee whose office was originally vacated and until a successor is elected and qualified: PROVIDED, that such a Trustee shall be from the same Trustee District as was the Trustee whose office was vacated.

Section 4.10. Compensation; Expenses. Trustees shall, as determined by a resolution of the Board of Trustees, receive on a per diem basis, a fixed fee, which may include insurance benefits (a) for attending meetings of the Board of Trustees and (b) with prior approval of the Board of Trustees, for the performance of other Cooperative business. Trustees shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred. No Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Trustee receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the Members or such payment and amount shall be specifically authorized by the Board of Trustees upon their certification of such as an emergency measure: PROVIDED, that a Trustee who is also an Officer of the Cooperative and who as such Officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Trustees.

Section 4.11. Rules, Regulations, Rate Schedules and Contracts. The Board of Trustees shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4.12. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of such year. A full and accurate summary of such audit reports shall be submitted to the Members at or prior to the succeeding Annual Meeting of the Members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

Section 4.13. Subscription to Cooperative's Newsletter. Payment for service shall include, for each Member, a subscription to any publication of the Cooperative.

Section 4.14. "Close Relative" Defined. As used in these Bylaws, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

Article V Meetings of Trustees

Section 5.01. Regular Meetings. A regular meeting of the Board of Trustees shall be held, without notice, within 30 days after the adjournment of the Annual Meeting of the Members at the Cooperative office or other location acceptable to the Trustees. The remaining regular meetings of the Board of Trustees shall be held monthly at such date, time and place as the Board provides by resolution. Regular monthly meetings may be held without notice except when the business to be transacted requires special notice. A Trustee absent from a regular meeting where action is taken to change the date, time or place of a regular meeting is entitled to written notice (either electronically or via U.S. Mail) of such change at least five (5) days prior to the next meeting of the Board. Nothing herein prohibits the Board from

adopting a policy authorizing the Board Chairman to change the date, time or place of a regular monthly meeting for good cause with five (5) days written notice (again either electronically or via U.S. Mail) to all Trustees.

Section 5.02. Special Meetings. Special meetings of the Board of Trustees may be called by Board resolution, at the request of any four (4) Trustees, or by the Chairman of the Board. The Secretary shall provide notice of the special meeting as provided in Section 5.03. The Board, the Chairman of the Board, or the Trustees calling the meeting (in the order named) shall fix the date, time and place for the meeting. Special meetings, upon proper notice, may also be held electronically, without regard to the actual location of the Trustees at the time of such electronically utilized meeting with the consent of a majority of the Trustees.

Section 5.03. Notice to Trustees of Special Board Meetings. Personal or written notice (either electronically or via U.S. Mail) of the date, time, place (or telephone conference call or other electronic means) and purpose or purposes of any special meeting of the Board shall be delivered to each Trustee not less than 48 hours prior to the special meeting by or at the direction of the Secretary. If the Secretary fails to provide notice, then such person or persons calling the special meeting may provide this notice. Notice shall be deemed delivered when provided to each Trustee at least 48 hours in advance of the meeting, whether by actual service, U.S. mail or electronically including but not limited to email, drop box or Call to Order. The attendance of a Trustee at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance is for the purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. 805 ILCS 105/108.25.

Section 5.04. Quorum. The presence in person, or electronically, of a majority of the Trustees in office shall be required for the transaction of business at all meetings and the affirmative votes of a majority of the Trustees present shall be required for any action to be taken. Trustees, who by law or these bylaws are disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Trustees in office or present. If there is no quorum at any meeting, a majority of the Trustees present may adjourn the meeting and postpone any action pending to a later date with proper notice provided to the absent Trustees of the date, time and place the adjourned meeting is reconvened.

Article VI Officers; Miscellaneous

Section 6.01. Number and Title. The Officers of the Cooperative shall be a Chairman of the Board, Vice Chairman, Secretary and Treasurer, and such other Officers as may from time to time be determined by the Board of Trustees. The offices of Secretary and Treasurer may be held by the same person.

Section 6.02. Election and Term of Office. The four Officers named in Section 6.01 shall be elected by secret written ballot annually and without prior nomination, by and from the Board of Trustees at the first meeting of the Board held after the Annual Meeting of the Members. If the election of such Officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such Officer shall hold office until the meeting of the Board first held after the next succeeding Annual Meeting of the Members or until such Officer's successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Trustees and to the removal of Officers by the Board of Trustees. Any other Officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Trustees may from time to time deem advisable.

Section 6.03. Removal. Any Officer, agent or employee elected or appointed by the Board of Trustees may be removed by the Board when-

ever in its judgment the best interest of the Cooperative will thereby be served. Election or appointment of an Officer or agent shall not of itself create any contract rights.

Section 6.04. Vacancies. A vacancy in any office elected or appointed by the Board of Trustees shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 6.05. Chairman of the Board. The Chairman of the Board shall:

- a) Be the principal Executive Officer of the Cooperative and shall preside at all meetings of the Board of Trustees, and, unless determined otherwise by the Board of Trustees, at all meetings of the Members;
- b) Sign, with the Secretary, Certificates of Membership the issue of which shall have been authorized by resolution of the Board of Trustees, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees 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 Chairman of the Board and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 6.06. Vice Chairman. In the absence of the Chairman of the Board, or in the event of the Chairman's inability or refusal to act, the Vice Chairman 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 such person by the Board of Trustees.

Section 6.07. Secretary. The Secretary shall:

- a) Keep, or cause to be kept, the minutes of meetings of the Members and of the Board of Trustees in one or more books provided for that purpose;
- b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- c) Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all 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 or is required by law;
- d) Keep, or cause to be kept, a register of the name and post office address of each Member, which address shall be furnished to the Cooperative by such Member;
- e) Sign, with the Chairman of the Board, Certificates of Membership, the issue of which shall have been authorized by resolution of the Board of Trustees;
- f) Have general charge of the books of the Cooperative in which a record of the Members is kept;
- g) Keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with 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 and of all amendments thereto upon request to any Member; and
- h) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to such person by the Board of Trustees.

Section 6.08. 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 or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws;
- c) And 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 such person by the Board of Trustees.

Section 6.09. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Trustees by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such Officer's such duties to one or more agents, other Officers or employees of the Cooperative who are not Trustees. To the extent that the Board does so delegate with respect to any such Officer, that Officer as such shall be released from such duties, responsibilities and authorities.

Section 6.10. President; Chief Operating Officer. The Board of Trustees may appoint a President, who may be, but who shall not be required to be, a Member of the Cooperative, and who also may be designated Chief Operating Officer. Such Officer shall perform such duties as the Board of Trustees may from time to time require and shall have such authority as the Board of Trustees may from time to time vest in such person.

Section 6.11. Bonds. The Board of Trustees shall require the Treasurer and any other Officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees 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. The costs of all such bonds shall be borne by the Cooperative.

Section 6.12. Compensation; Indemnification. The compensation, if any, of any Officer, agent or employee who is also a Trustee or close relative of a Trustee shall be determined as provided in these Bylaws, and the powers, duties and compensation of any other Officers, agents and employees shall be fixed or a plan therefor approved by the Board of Trustees. The Cooperative shall indemnify Trustees, Officers, including the President, agents and employees. 805 ILCS 105/101.01.

Section 6.13. 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.

Section 6.14. Access to Cooperative Books and Records. The books and records of the Cooperative are private and shall be accessible to non-Members only upon court order. Members who wish to examine them may do so after receiving permission from the Board, by filling out a request form stating a proper purpose. Members who wish to make mailings to other Members for a proper purpose may do so by providing the necessary copies of material to be mailed, together with sufficient postage, in time for the Cooperative to make the desired mailing. A proper purpose is one related to accomplishing the goals of the Cooperative.

Article VII Contracts, Checks and Deposits

Section 7.01. Contracts. Except as otherwise provided by law or these Bylaws, the Board of Trustees may authorize any Cooperative Officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 7.02. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or countersigned by such Officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 7.03. Deposits; Investments. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Trustees may select.

Article VIII Non-Profit Operation

Section 8.01. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 8.02. Patronage Capital in Connection with Furnishing Cooperative Service. In the furnishing of Cooperative service the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Cooperative service in excess of operating costs and expenses properly chargeable against the furnishing of Cooperative service. All such amounts in excess of operating costs and expenses at the end of each fiscal year 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 after the close of the fiscal year notify each patron of the amount of capital so credited to patron's account; PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine the specific amount of capital so credited to such person. 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.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata

basis before any payments are made on account of property rights of Members; PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Trustees before any payments are made on account of property rights of Members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any retirements prior to dissolution or liquidation for capital furnished shall be pursuant to the method, basis, priority and order established by the Board of Trustees, subject to the rules and regulations adopted by the Board of Trustees pursuant to this section. PROVIDED, however, that the Board of Trustees shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall: a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, b) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons, c) provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts, and d) 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 any prior fiscal year.

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 Trustees, acting under policies of general application, shall determine otherwise.

Regardless of other provisions of these Bylaws, the Board of Trustees shall have the discretion to retire capital credits of any deceased Member who was a natural person if the legal representative of the Member's estate requests same in writing. Retirement of such credits can be authorized by the Board of Trustees upon such terms and conditions as the Board determines in the best interests of the Cooperative so long as the financial condition of the Cooperative is not impaired.

The Cooperative, before retiring any capital credited to any Member's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Illinois legal rate of judgments in effect when such amount became overdue, compounded annually.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each Member, and both the Cooperative and the patrons are bound by such contract, as fully as though each Member 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 Member of the Cooperative by posting in a conspicuous place in the Cooperative's offices.

Section 8.03. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order of priority as the Board of Trustees shall determine.

Article IX Waiver of Notice

Any Member or Trustee may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

Disposition and Pledging of Property; Distribution of Surplus Assets on Dissolution

Section 10.01. Disposition and Pledging of Property in the Regular Conduct of Cooperative Affairs. 805ILCS/105/111.55 and 111.60.

- a) Consistent with the provisions of the General Not for Profit Corporation Act, and of subsection b) hereof, the Members must authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Cooperative's property and assets by the affirmative votes of at least two-thirds (2/3) of the total Members of the Cooperative. "Substantially all" as used herein shall mean thirty-five (35) percent or more of the Cooperative's assets in the fiscal year of one or more of the transactions referred to in the previous sentence. However, the Board of Trustees, without authorization by the Members, shall have full power and authority to sell, lease, lease-sell, exchange, transfer, or otherwise dispose of merchandise and any property no longer necessary or useful for operating the Cooperative.
- b) Supplementary to the foregoing subsection (a) and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Cooperative's property and assets shall be authorized except in conformity with the following:
 - (1) If the Board of Trustees looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by the Board of Trustees.
 - (2) If the Board of Trustees, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the Members, it shall first give every other electric Cooperative corporately sited and operating in Illinois (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric Cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric Cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
 - (3) If the Board then determines that favorable consideration shall be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the Members not less than fifty (50) days before noticing a special meeting of the Members thereon or, if such be the case, the next Annual Member Meeting, expressing in detail each of any such proposals, and shall call a special meeting of the Members for consideration thereof, which meeting shall be held not less nor more than forty (40) days after the giving of such notice to the Members: PROVIDED, that consideration thereof by the Members may be given at the next Annual Member Meeting

if the Board so determines and if such Annual Meeting is held not less nor more than forty (40) days after the giving of such notice. The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric Cooperatives if the actual legal effect thereof is to merge or consolidate with such other one or more electric Cooperatives.

- c) Nothing provided herein prohibits the Board of Trustees from incurring obligations on behalf of the Cooperative or pledging security interest in any of the Cooperative's assets in any amount, except as otherwise provided herein, when the Board of Trustees has determined same to be in the best interests of the Cooperative.

Section 10.02. Distribution of Surplus Assets on Dissolution.

Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Trustees not inconsistently with the provisions of these Bylaws, be distributed without priority but on a patronage basis among all persons who have been Members of the Cooperative for any period(s) during its existence: PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

**Article XI
Fiscal Year**

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and end on the last day of the month of December following.

**Article XII
Rules of Order**

Parliamentary procedure at all meetings of the Members, of the Board of Trustees, of any committee provided for in these Bylaws and of any other committee of the Members or Board of Trustees which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

**Article XIII
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."

**Article XIV
Amendments**

Section 14.01. These bylaws may be altered, amended or repealed by the Members acting in a general or special meeting, provided that a notice of the proposed amendment, and of the Board's recommendations on it, shall have been given to the Members. If a favorable recommendation has been given by the Board, the amendment may be passed by a majority of the Members present and entitled to vote, but if an unfavorable recommendation has been given by the Board a two-thirds vote of the Members present and entitled to vote is required.

Section 14.02.

- a) Members may petition the Board to amend the Bylaws. The petition shall be signed by one hundred (100) Members of the Cooperative.
- b) The Board shall consider the proposed amendment and make recommendations to the Membership.
- c) The proposed amendment shall be acted upon at a general or special meeting, provided that a notice of the proposed amendment and of the Board's recommendations shall have been given to the Members. If approved by the Board, the amendment may be passed by a majority of the Members present and entitled to vote, but if disapproved by the Board a two-thirds vote of the Members present and entitled to vote is required.

**Article XV
Savings Provision**

If any provision of these Bylaws or of the Articles of Incorporation, as they exist and as may be amended, or any application thereof, should be rendered or declared unlawful, invalid, or unenforceable by virtue of any judicial action, or by any existing or subsequent enacted Federal or State Legislation, or by Executive Order, or other competent authority, the remaining provisions shall remain in full force and effect. In such event, the Board of Trustees shall, as soon as practical, submit to the Membership substituting provision (s) for those provision (s) rendered or declared unlawful, invalid, or unenforceable.

BYLAWS of Clinton County Electric Cooperative, Inc., Breese, Illinois

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